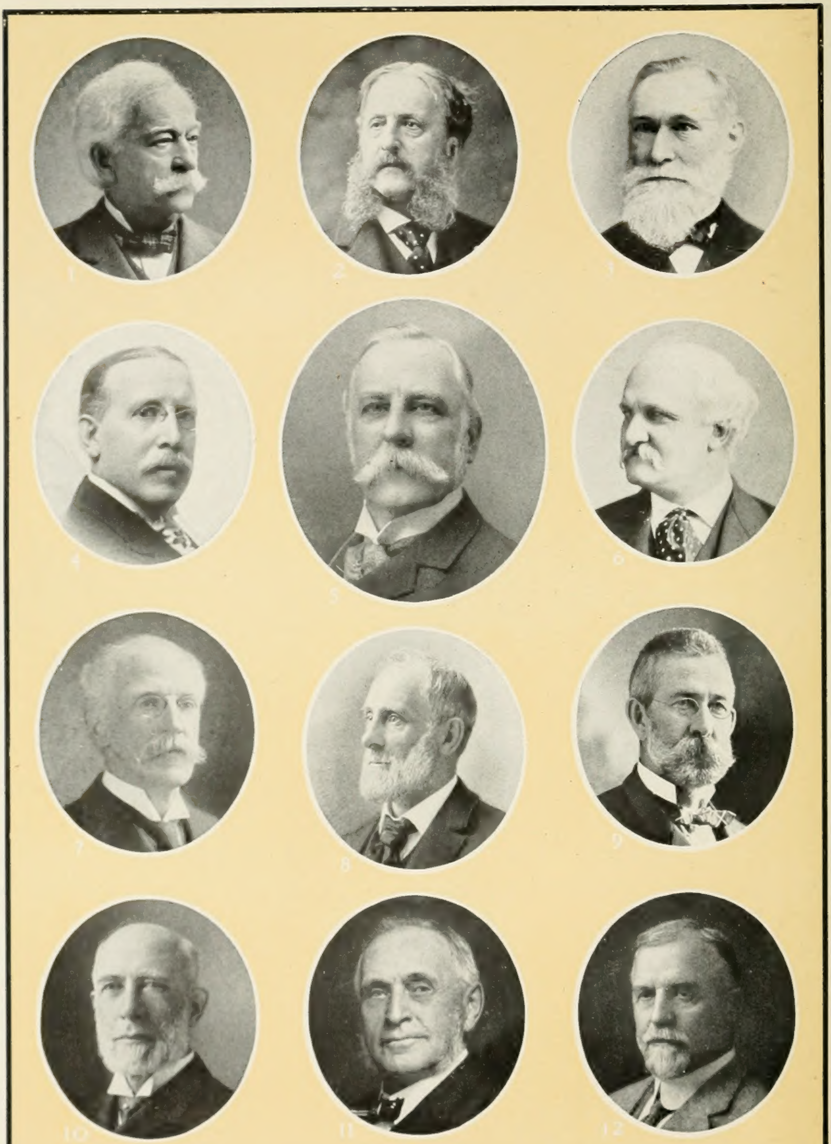
HISTORY OF
THE SAVINGS BANKS ASSOCIATION
OF THE STATE OF NEW YORK



1. Edward S. Dawson, President Onondaga County Savings Bank, Syracuse, N. Y.
2. J. Howard King, President Albany Savings Bank, Albany, N. Y.
3. Merritt Trimble, President The Bank for Savings in the City of New York.
4. Robert S. Donaldson, President Erie County Savings Bank, Buffalo, N. Y.
5. John Harsen Rhoades, President The Greenwich Savings Bank, New York City.
6. Wm. C. Sturges, President Seamen's Bank for Savings, City of New York.
7. Andrew Mills, President Dry Dock Savings Institution, New York City.
8. Addison C. Miller, President The Savings Bank of Utica, Utica, N. Y.
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10. James McMahon, President Emigrant Industrial Savings Bank, New York City.
11. John D. Hicks, President The Bowery Savings Bank, New York City.
12. William G. Conklin, President Franklin Savings Bank, New York City.

HISTORY

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THE SAVINGS BANKS ASSOCIATION

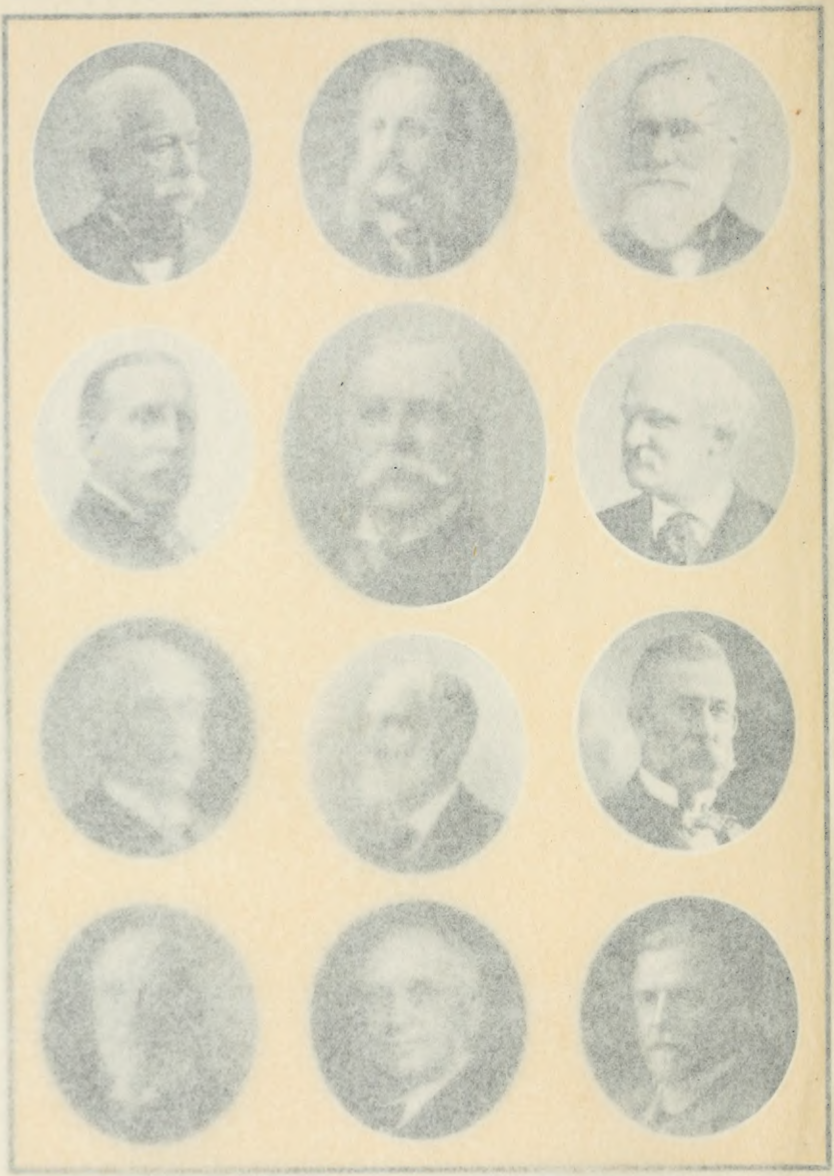
OF THE STATE OF NEW YORK

1894-1914

By
FREDERIC B. STEVENS
SECRETARY OF THE ASSOCIATION
1910-1913

"Thrift Is the Soul of Prosperity"

GARDEN CITY NEW YORK
DOUBLEDAY, PAGE & COMPANY
1915



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TO THE MEMORY
OF
MY FATHER

ALBERT PARSONS STEVENS

ONE OF THE FOUNDERS, AND FOR THIRTY-FIVE YEARS SECRETARY-TREASURER, OF THE NATIONAL SAVINGS BANK OF THE CITY OF ALBANY, THIS VOLUME IS AFFECTIONATELY DEDICATED BY THE AUTHOR

Statistics of the 140 Savings Banks in the State of New York, on Thursday, January 1, 1914 *

Total resources	$1,926,334,331.76
Amount due depositors	1,741,697,466.53
Other liabilities	691,817.64
Surplus on investment value, stocks and bonds	183,947,047.59
" " market " " " "	116,789,006.19
" " par " " " "	157,730,038.55
Amount deposited during year, excluding interest	439,923,632.03
Amount withdrawn during year	448,273,900.51
" of interest credited and paid for year	60,611,029.90
" salaries paid during year	3,061,263.55
" expenses other than salaries for year	3,123,918.39

Number of open accounts	3,143,444
" " accounts opened or reopened during year	567,077
" " " closed during year	488,528

* *Figures taken from the annual report of the Superintendent of the Banking Department of the State of New York for the year* 1913.

FOREWORD

THE purpose of this volume is to illustrate the growth and power of an IDEA. That idea, originating in the fertile brain of Daniel Defoe, the author of the immortal story of "Robinson Crusoe," and taken up by such pioneers as the Rev. Joseph Smith and Mrs. Priscilla Wakefield, in England, the Rev. Dr. Henry Duncan, in Scotland, and by Col. Condy Raguet, one of the founders of the Philadelphia Savings Fund Society, and Thomas Eddy,[1] in America, finds its happy fruition in the Mutual or Trustee Savings Bank as we know it to-day, an institution founded in pure benevolence and free from

[1]It is known that Mr. Eddy was a regular correspondent of Colquhoun, from whom he received valuable suggestions which he proceeded to put into practical effect. Mr. Eddy was chairman of a meeting of citizens which was held in the "City Hotel," New York, on Friday evening, November 29, 1816, pursuant to public notice. As a result of this meeting and of another conference of citizens earnestly interested in improving the condition of the poor and seeking to benefit the industrial and labor classes held at the New York Hospital, December 16, 1817, at which it was resolved to organize a society for the prevention of pauperism, it was decided to establish a Savings Bank in the City of New York. The following is an extract from the *Evening Post* of New York, of Monday, December 2, 1816, quoted in "A History of Savings Banks in the State of New York, from Their Inception in 1819 down to 1869," by Emerson W. Keyes, Deputy Supt. of the Banking Department, undoubtedly referring to the first meeting for the purpose of establishing a Savings Bank in New York, suggested by Mr. Eddy after receiving a letter from Mr. Colquhoun:

> "At a meeting of a number of citizens convened in the assembly room of the City Hotel, on Friday evening, November 29, 1816, pursuant to public notice, for the purpose of establishing a Savings Bank, Thomas Eddy, Esq., was called to the chair, and J. H. Coggeshall, Esq, appointed secretary. The object of the meeting having been stated, and the principles of the proposed institution briefly and pertinently explained by Mr. James Eastburn, on motion of Mr. John Griscom, seconded by Dr. Watts, it was resolved that it is expedient to establish a Savings Bank for the City of New York."

Andrew Warner Esq., one time Secretary of the Institution for the Savings of Merchants' Clerks in the City of New York, who gave Mr. Keyes much valuable information relative to the inception of Savings Banks in New York, says: "The institution (the Bank for Savings, incorporated, 1819) owes its

the slightest taint of human selfishness.[1] Savings Banks have been aptly styled the "Granaries of the Poor," and the phrase is fairly descriptive, with this addition, that after sufficient accumulations have been made, the funds deposited are loaned out to worthy borrowers upon high-class security, thus vastly increasing their potentiality for good.

Turning for a moment from the frivolities of life, we can here read of the magical growth of Defoe's IDEA, a thought developed into a system, a penny grown into millions, a people educated from poverty to competence —in a word, an IDEA developed into a vast army of more than *Three Millions of Depositors in the Empire State!* One will find here most interesting details of the methods by which this great army of depositors—the real bone and sinew of the State—have been inspired to better standards of living by contact with noble, philanthropic men who, serving as trustees without compensation, have made it possible for these institutions, backed by the majesty of the law, to educate millions in thrift and industry, to lead them in paths of virtue, prosperity, and happiness.

This volume aims to give a concise and authentic résumé of the work accomplished by The Savings Banks

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origin, undoubtedly, to Thomas Eddy, as is evident from extracts of correspondence published in his life, by Samuel L. Knapp, 1834."

It seems to be well settled that Savings Banks in New York State owe their origin to the "New York Society for the Prevention of Pauperism," and that John Griscom was a prime mover not only in that society, but also in organizing Savings Banks. In this movement, therefore, New York was in the van, although, for various reasons, one of which was the failure of the Legislature to pass the necessary act of incorporation, there was a delay of something over two years, after the preliminary meetings, before the first institution was incorporated. Leading cities in other States, notably Boston, Philadelphia, and Baltimore, were able to secure more prompt action by the Legislature, thus securing the honor of being first in the field.

[1]It is claimed on behalf of Patrick Colquhoun, a local magistrate in London, England, that he was the first in that country to make public announcement of a practical scheme for the organization of Savings Banks, and that his correspondence with bankers and others in this country gave a most powerful impulse to the movement in America.

Association of the State of New York, from its inception in the year 1894 to date, a period of twenty years.

The founders of this Association builded better than they knew; even the most sanguine among them could not have conceived the greatness of the work it was destined to accomplish. While it is axiomatic that "in union there is strength," this is particularly true of financial institutions, between which, though widely separated as to territory, there is a subtle interrelation which it is difficult if not impossible to analyze or define. Thus it has come about that the 127 Savings Banks now embraced within this Association have been able to accomplish vastly more than would have been possible had each acted upon individual initiative. And in doing this, they have aided materially in bringing hope and gladness into thousands of homes where otherwise might have been poverty, squalor, and untold suffering.

It is impossible to look over the Proceedings of the Association without realizing in some degree what a wealth of valuable material is contained in them. Some of the most eminent men in the country in the fields of banking and finance have, from time to time, honored the Association with their presence and given its members the benefit of their experience—men of national reputation, such as Prof. William G. Sumner, of Yale; Hon. Edward Atkinson and Col. Thomas Wentworth Higginson, of Boston; former Comptroller of the Currency, William L. Trenholm; former Secretary of the Treasury, Charles S. Fairchild; Hon. Horace White, of Syracuse; Hon. Carroll D. Wright and Col. William Carey Sanger, of Washington; Hon. Wheeler H. Peckham and Hon. Stewart L. Woodford, of New York. Add to this the addresses of successive Superintendents of the Banking De-

partment of the State during the period referred to, and the illuminating discussions among the members of the Association, including as they do practically all the most prominent Savings Bank experts and managers of the State, and we see at once how happy a thought it was to organize this Association. To select in all cases the most interesting and valuable matter thus contributed was by no means easy, and no claim is made that it might not have been better done by others of riper judgment and wider experience. If it be true that the best way to study history is to read biography, then perhaps the best way to study the history of this Association is to become familiar with the ideas and principles of those men who are and have been the leaders in this great work of philanthropy.

Such a work as this would not fulfil its true mission without due recognition of the wisdom and eloquence of Mr. John Harsen Rhoades, the real father and founder of the Association, the untiring industry of Mr. Samuel R. Rainey, the wise conservatism of Mr. Andrew Mills, the faithful service of Mr. William G. Conklin, and the legal ability of Mr. Charles A. Miller. All have played prominent parts, and credit should be given where credit is due. When some of the pioneers have "fallen asleep," their sturdy sons have taken up the work with renewed energy and youthful enthusiasm. There have also been formed and cemented friendships that can be severed only with life's chain.

I desire to gratefully acknowledge the valuable assistance in the preparation of this volume given by the late Wilbur W. Worlock and by Mr. Charles J. Hailes. Only their zealous coöperation rendered the accomplishment of the task possible.

Albany, Dec. 22, 1914. FREDERIC B. STEVENS.

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ILLUSTRATIONS

INTRODUCTORY

IT HAS been remarked, with truth, that human institutions are a form of law, an embodiment of public sentiment concerning some condition or need of the social state, and that as such they grow rather than are made. This is preëminently true of the Savings Bank as we know it to-day.

It is now nearly a century since the germ was transplanted from Europe to these shores and tenderly watched and nurtured. The growth of that little seed in these one hundred years has been nothing less than marvellous. In our familiarity with the institution we give little thought to that growth, and it is only when the facts and figures are marshaled before us that we realize in some degree how deeply rooted the Savings Bank System has become in our social body and how powerful a force it is in contributing to public order, temperance, virtue, sobriety, industry, thrift, and prosperity, as well as promotive of public credit, public faith, and financial stability.

This is not an exaggeration. It is rather far less than the truth, for no pen, however able, could adequately describe the influence for good exerted by the institutions for systematic saving now operated in the United States, or accurately calculate the sum total they add to human happiness and well-being.[1]

[1]According to the report of the Comptroller of the Currency for the year 1913, the number of Savings Banks in the whole country was 1,978, the number of depositors, 10,766,933, the aggregate amount of deposits, $4,727,403,950, and the average amount due each depositor, $439.07. Of these depositors, the Savings Banks of New York State had 3,114,240, or nearly one third,

To labor assiduously is industry; to save systematically is thrift. These two distinct elements, bound together by constant purpose and practice, insure the ultimate competence of their principal. Under such direction of purpose no one can fail to secure his future against want. As for *interest*, it is without doubt the most potent factor in the world of finance. But for its unseen though none the less powerful force, the people of this State who are depositors in Savings Banks would have been deprived of from forty to sixty millions of dollars annually, to say nothing of the value of those millions for reinvestment. Beyond this, the financial and material growth of the State and nation is largely and directly indebted to these savings institutions. Only those closely associated with their founding and development can properly appreciate the amount of toil and struggle that was necessary to transform a crude idea into a practical working system. We of the present day enjoy the fruits of the labors of those hard-working pioneers who sought unceasingly to place their charges in a position that would command not only the admiration but the confidence of their patrons, the depositors. It has been, moreover, almost wholly a labor of love, the purest and most practical sort of philanthropy.

Another feature which is perhaps too little exploited, and at all events not adequately understood by the general public, is the system of mortgage loans. Thousands upon thousands of families throughout the land sit to-day at their own firesides in homes free and clear of all incumbrance through the financial assistance of Savings

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with cash deposits of $1,700,063,766.36, truly a remarkable showing and a further proof that New York is the Empire State in truth as well as in name.

The total number of depositors in the world was computed in 1910 at 110,419,027.

Banks in their respective neighborhoods, who otherwise would still have been paying rent.[1]

As to the underlying theory of the Savings Bank, no one ever supposed that it would result in changing human nature—that was many centuries ago given up as chimerical—but the principle upon which these institutions were founded was that "some, many, perhaps the majority of mankind would prefer independence, the result of industry, to beggarly dependence, the consequence of idleness; that they would be frugal rather than wasteful if the savings of frugality could be carefully garnered for the time of need; that they would guard against vicious indulgence rather than steep themselves in drink, if there was an incentive to accumulation held out as their reward for self-denial."[2]

And so it has proved. The experience of Europe has been the experience of America and, indeed, of every civilized country and State the world over. None is now without its institutions for the safekeeping of the accumulations of the thrifty and provident. Their beneficent influence radiates everywhere like the blessed beams of the sun, bringing hope and cheer and confidence where before was naught but uncertainty, dread, and squalor. No sooner was the true character of this institution clearly recognized than men of influence and power who believed in the uplift of the race and its higher destiny rushed to its support, and then it was but a short step to having the State throw around it the ægis of its protection. Thus from time to time, as experience has shown the

[1] The report of the Superintendent of Banks for 1913 shows that on the first of January, 1914, the Savings Banks of the State of New York held bonds and mortgages to the amount of $989,790,763.46.

[2] History of Savings Banks in the State of New York from their inception in 1819 down to the year 1869. Prepared by Emerson W. Keyes, Deputy Superintendent Banking Department (1870).

necessity, laws have been passed, amended, or repealed in order the better to administer this great sacred trust.

While it is not within the scope of this volume to enter into a detailed history of the inception of Savings Banks in Europe, where they preceded those of the United States by only a few years, it has been thought that a brief review of the facts so far as they are known might possibly serve a useful purpose, and that they will, at all events, prove interesting to those identified with banking.

INCEPTION OF THE IDEA IN EUROPE

We should be surprised, not to say startled, did we know by how narrow a margin the great body of active workers of all lands—the hewers of wood and the drawers of water—are removed from actual want and destitution. True indeed it is that one half the world knows not how the other half lives. This is the case in all countries, though perhaps in a less degree in this land of freedom and opportunity. Partly from habits of intemperance, or extravagance, which lead them to live beyond their means, partly because employment is not always plentiful at all seasons or always as remunerative as it ought to be, there is very little left of the weekly wage, and millions are in imminent danger of being plunged into a condition of absolute destitution.

These facts were observed by leading financiers and philanthropists of the Old World, and much thought was given to means and methods of ameliorating the condition. The possibility of insuring employment for labor at all times and under any and all conditions was soon given up as impracticable. So, too, mere charity or largess was discarded, for every one well knew that in time it would result in destroying all manliness and self-reliance

and raising up a race of paupers—shiftless dependents wholly lacking in dignity, pride, independence, and self-respect. Thus, before the true idea of a Savings Bank had dawned upon men's minds, plans were put in operation whereby those who made deposits with wealthy and responsible persons and left them undisturbed for a given length of time would be given back the money deposited with substantial additions, sometimes as large as one third. Such plans were, of course, largely philanthropic and necessarily must have been limited in scope. This and other similar attempts constitute striking examples of the course and direction of public philanthropy and its attempts, through legislation and otherwise, to overcome the evils of poverty before the establishment of Savings Banks.[1]

Savings Banks have been well defined as "associations for the purpose of promoting thrift among the people by receiving small deposits to be invested at compound interest." Numerous persons have been given the credit

[1]An act for the relief and settlement of the poor within this State was considered by the Legislature of New York in 1779, but not passed. At this period all the energies of this, in common with other States, were being taxed to the utmost to maintain the War for Independence. In the following year an act was introduced and passed for a general limitation of prices. It was not to take effect, however, until certain other States should pass similar laws, which they neglected to do, so that the act never became operative. It is also an interesting fact that the "Society for Tammany, or Columbian Order, in the City of New York," was originally incorporated as a charitable institution in the year 1805. The preamble to its charter read as follows: "Whereas, William Mooney and others, inhabitants of the City of New York, have presented a petition to the Legislature setting forth that they, since the year one thousand seven hundred and eighty-nine, have associated themselves under the name and description of 'The Society of Tammany, or Columbian Order' *for the purpose of affording relief to the indigent and distressed members of the said association*, their widows and orphans, and others who may be found proper objects of their charity, they therefore solicit that the Legislature will be pleased to incorporate the said society for the purposes aforesaid, etc.; therefore, be it enacted," etc. Other benevolent and "friendly" societies incorporated about the same time were: Orphan Asylum of New York, 1807; St. Andrew's Society, Schenectady, 1808; Thistle Society, New York, 1808; Albany Humane Society, 1808; Mechanics' Humane Society, Troy, 1808; Manhattan Provident Society, 1809; Geneva Friendly Society, 1810; Poughkeepsie Humane Society, 1812.

of having first proposed the plan.[1] No practical result was attained, however, until the year 1765, when a sort of Savings Bank was established in Brunswick, Germany. There is evidence that a somewhat similar institution was started in Hamburg, as far back as 1778 (which is still in existence), that took the cash of domestic servants and handicraftsmen and granted annuities to the members upon arriving at a certain age. These institutions differed radically from the Savings Banks of the present day, however, in the fact that no withdrawals were permitted. It will thus be seen that most if not all of these early institutions were purely benevolent in their objects, and were the direct outgrowth of the humanitarian spirit of those times. How much we have progressed since those days in every direction of private and public philanthropy would make an exceedingly interesting story.

The credit of introducing Savings Banks in Great Britain is claimed in behalf of several different persons. In 1798 a "Friendly Society for the benefit of women and children" was established at Tottenham High Cross, under the superintendence of Mrs. Priscilla Wakefield, whose object was the granting of annuities to members on attaining a certain age, or an allowance weekly in case of sickness, and a sum for burial at decease. Later a "bank for savings" was established, and in 1804 this bank for savings was regularly organized and trustees appointed.

[1] By no less authority than the "Encyclopædia Britannica" (Vol. 21, p. 327), Daniel Defoe (1661-1731) is credited with being the first to suggest the idea of Savings Banks, in 1697. It seems certain that this famous non-conformist and vitriolic pamphleteer, for whom neither the pillory nor the jail seemed to possess terrors, was one of the first to propose the idea, and that the fertile brain which conceived the immortal story of "Robinson Crusoe" was also busy with projects to relieve the distress of the poor and unfortunate, with whom he sympathized the more keenly because he himself had been more than once an inmate of a debtor's cell.

A prior claim is made on behalf of the Rev. Joseph Smith, of Wendover, who in 1799 circulated in his parish proposals to receive any sums on deposit during the summer and to return the amount at Christmas with the addition of one third to the whole, "as a bounty upon the depositor's economy."

Jeremy Bentham is also given credit for inaugurating a scheme for the benefit of paupers in 1797, which included a system of "frugality banks," as he called them. His suggestions do not appear to have ever been acted upon. It is also stated that in the year 1806 the Provident Institution of London was established, to which a Savings Bank was at first attached, but shortly afterward discontinued. In 1810 the first Savings Bank in Scotland was formed by the Rev. Henry Duncan, minister at Ruthwell, Dumfrieshire. Four years later, largely through his efforts, the Edinburgh Savings Bank was established. Dr. Duncan was a prodigious and untiring worker in this field and is regarded by many authorities as the real founder of Savings Banks, in that he organized the first self-sustaining institution and succeeded in so arranging his scheme as to make it applicable to the country generally.

RISE OF THE SAVINGS BANK SYSTEM IN AMERICA

In the year 1916 the United States will be enabled to celebrate the centenary of the establishment of Savings Banks in America. The growth of that system from doubtful experiments made in Great Britain early in the last century has been remarkable.[1] It was

[1] On June 8, 9, and 10, 1910, there was held in Edinburgh, Scotland, a very successful celebration of the Centennial of Savings Banks in Great Britain; and to further perpetuate the event, a memorial of the occasion was issued soon afterward in the form of a handsome octavo volume, edited by Alexander

watched by civilized countries all over the world. Though by no means so closely united with the Mother Country as at present, the alert business men and bankers of one hundred years ago in the United States kept in touch by fast packet mails with European developments, and when the Scotch and English institutions became successful, it was not long before like experiments were undertaken in this country.

The earliest banks in the United States in the order of their incorporation, were:

The Provident Institution for Savings, of Boston, legally established by act of incorporation, December 13, 1816.

The Philadelphia Savings Fund Society, established November 20, 1816, and incorporated February 25, 1819.

The Salem (Mass.) Savings Bank, incorporated January 29, 1818.

The Savings Bank of Baltimore, chartered in December, 1818.

The Bank for Savings in the City of New York, incorporated March 26, 1819.

The Hartford (Conn.) Society for Savings, incorporated June 1, 1819.

The Savings Bank of Newport (R. I.), in June 1819.

The Albany (N. Y.) Savings Bank, incorporated March 24, 1820; began business June 20, 1820.

As it was many years later before regular returns or reports were required from Savings Banks, the impossibility of showing their progress and growth from the be-

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Cargill, Esq., actuary of the Edinburgh Savings Bank, and published by T. & A. Constable, Edinburgh. Several men prominently identified with Savings Banks on this side of the water participated in the celebration and were given a warm reception. Among these was Mr. H. F. Gunnison, Trustee of the Williamsburgh Savings Bank, Brooklyn, and C. Stuart Patterson, of Philadelphia.

ginning with anything like accuracy is evident.[1] By the year 1820, ten banks had been established, and the number increased to 61 in 1840, and to 278 in 1860.

There is no doubt that the United States, though not the first nation in the world to establish Savings Banks, is entitled to the honor of anticipating Great Britain in giving to this great interest the sanction and protection of the law.[2]

[1] The first report of the Bank for Savings in the City of New York was made to the Legislature in 1820, the year following its incorporation, and was accompanied by an application for an amendment of its charter so as to authorize investments in loans on real estate. The bank was opened for deposits in a room of the New York Institution granted to the trustees by the Academy of Arts, on Saturday, July 3, 1819, when, from eighty depositors, the trustees had the satisfaction of receiving the sum of $2,807. For the period of six months next ensuing, 1,527 persons deposited the sum of $153,376.31. The sum of $148,372.27 was invested in public funds, according to law, and $6,606 was drawn out by depositors, of which number forty-six closed their accounts. (For the full text of this report, see Appendix.)

In the year 1861 Postal Savings Banks originated in England where they eventually took the place of Trustee Savings Banks in large measure.

[2] Appleton's Universal Cyclopedia (Vol. 10, p. 326), 1908, is authority for the statement that the first Savings Bank in the world to be incorporated was the Provident Institution for Savings, of Boston. "The Hub" at that time (1816) had a population somewhat in excess of 35,000, being in 1810, 35,250, and in 1820, 42,298.

At the celebration of the Centennial of Savings Banks in Great Britain, held in Edinburgh, June 8–10, 1910, Mr. H. F. Gunnison, Trustee of the Williamsburgh Savings Bank, of Brooklyn, in a paper read before the International Society of Thrift, said: "An Act to incorporate the Provident Institution for Savings in the Town of Boston was approved 13th December, 1816. This was the first public act of legislation in the world which recognized the beneficent character of Savings Banks and invested them with the sanction and protection of the law."

Mr. Emerson W. Keyes, in his History of Savings Banks in the State of New York (1870), says: "It was not until 1817 that Savings Banks in Great Britain were recognized at all by the government. Prior to this they were merely voluntary associations of gentlemen or ladies in various localities who sought in this way to assist the poor in their immediate neighborhoods. They were necessarily limited in their operation, and depended for their success upon the confidence reposed in the character of their projectors and the degree to which that confidence was justified. It is a pleasure to record that the trust thus voluntarily assumed was rarely, if ever, abused. But as they extended the range of their operations and influence, the necessity for the recognition and protection of the law became apparent. This was secured by an Act of Parliament, passed August, 1817; but owing to radical defects in the plan or details of organization approved by Parliament, they became subject to greater frauds and abuses than had characterized them under the voluntary system."

HISTORY OF
THE SAVINGS BANKS ASSOCIATION
OF THE STATE OF NEW YORK

HISTORY OF THE SAVINGS BANKS ASSOCIATION OF THE STATE OF NEW YORK

CHAPTER I

Reasons for the Formation of the Association—Informal Meetings of Officers of Savings Banks to Exchange Views on Pending Legislation Led to Organization of Wider Scope and Influence —Interesting Discussion as to Status and Powers—The Country Just Emerging from a Period of Severe Financial Stringency—The Bloodgood and Mullin Bills—Legal Investment of Deposits—Banks Represented at the Initial Meeting.

FOR several years prior to the organization of the SAVINGS BANKS ASSOCIATION OF THE STATE OF NEW YORK, in the year 1894, meetings of officers of the various Savings Banks of the State had been held at the rooms of the Chamber of Commerce, 32 Nassau Street, in the City of New York. These meetings had for their primary object the ascertaining of the views of the several Savings Banks officers regarding legislation then pending, or about to be introduced, in the Legislature of the State affecting their institutions, more especially concerning investments, a subject that had long troubled the most sagacious experts in Savings Bank management. Much good resulted, but in order to render their efforts more effective it was seen that they must be more concentrated.

At the meeting held on the 26th day of May, 1892,

a proposition was made to organize in a regularly incorporated association, with President, Treasurer, and other officers, and necessary committees. This plan was not carried out at the time because the meeting referred to was only tentative and preliminary.

A TIME OF FINANCIAL STRINGENCY

At the date of the organization of the Association, and for some time prior thereto, there had been a period of great financial stringency. This was the never-to-be-forgotten year of 1893. The Executive Committee in their report called attention to the fact that the year had been one full of anxiety and burdened at times with great perplexities which had imposed responsibilities from which they would gladly have escaped if possible. Great doubt and distrust existed throughout the United States in business circles, and many felt that they were on the verge of a financial crisis the severity or end of which no one could foretell. On the 15th of June the strain had become so great that the banks of discount in the City of New York decided to issue clearing-house certificates in order to relieve the pressure upon them for loans, and enable them the better to aid their customers and the community at large. Still the demand for currency continued to increase rapidly, both from the banks throughout the country having deposits in New York, and also on the part of individuals who had commenced to hoard both currency and gold, thus greatly adding to the difficulties of an already alarming situation. To add still further to the perplexities of bankers, soon after July 15th withdrawals from the Savings Banks began to increase rapidly. At least a million dollars a day was being taken from the banks in New York and Brooklyn, with a rapidly increasing ten-

dency on the part of depositors to take alarm and create a "run." As is the case on all such occasions, it was also found impossible to sell securities except at a sacrifice, or to obtain the currency needed to pay depositors.

Resort was had then to the expedient of legal notice of intention to withdraw. In New York and Brooklyn depositors gave notice of withdrawals to the extent, on the average, of about three per cent. of the deposits, of which about fifty per cent. was paid. There is ample proof to justify the statement that the Savings Banks of the State of New York, at that time, through their prompt acceptance of the issue then made by the Executive Committee, did their full share in relieving the strain in financial circles, if not in averting a crisis far more disastrous than that which actually took place. Thus was shown the vital importance of concerted action and the necessity of organization to that end.

There was also at that time, as there is to-day, much discussion on the subject of legal investment of deposits. The Committee had prepared an amendment to the then existing law permitting the banks to invest in the bonds of seven cities located outside of this State. The bill was introduced in the Senate by Senator Mullin.

EFFORTS TO ENLARGE THE SCOPE OF INVESTMENTS

At the meeting held on the 25th day of May, 1893, the Standing Committee that had been appointed in the year previous reported that in pursuance of its duties devolving upon them, it had organized for the purpose of considering the various matters affecting Savings Banks requiring their attention. An Executive Committee was appointed consisting of Messrs. Rhoades, Sturges, McMahon, Morgan, Miller, King, and Mills, and given

charge of the active work of the Committee. It was decided to carefully revise the bill which had been introduced for several years in the Legislature extending the scope of Savings Banks investments in the direction of cities located outside the limits of the State of New York, and have the bill introduced in the Legislature which was to convene in the following winter. This was done, the bill being placed in charge of Senator Mullin. The banks throughout the State were at once notified and copies of the bill sent them, but by reason of the strenuous opposition of officials of leading municipalities throughout the State, the measure was smothered in the Committee.

The Committee of the Savings Banks then proceeded to say:

About the same time another bill was introduced, known as the "Bloodgood Bill," under the provisions of which the Savings Banks were to be allowed to purchase the Bonds of the Cities of Boston and Worcester in Massachusetts, New Haven in Connecticut, Providence in Rhode Island, Detroit in Michigan, St. Louis in Missouri, and Cleveland in Ohio. This Bill was not so carefully drawn as the one introduced by the banks, and the relief afforded by its provisions was very limited, and though at the time it was not thought that this particular bill would make much headway in the Legislature, yet the same opposition which had developed in regard to the bill introduced by the banks and known as the "Mullin Bill" was shown toward this bill. After repeated efforts had been made to induce favorable action, the Senate Committee finally consented to report both bills favorably, cutting down the provisions of the Mullin Bill to those covered by the Bloodgood Bill. The opposition to the passage of either bill in the Senate then became so great and persistent that your Committee deemed it wise, in view of the oppo-

sition of the Officials of the City of New York, which was open and pronounced in its character, to ask the Mayor of that city to grant an interview to a committee representing the Savings Banks, in order that an opportunity might be afforded to explain the position of the banks and the necessity for the proposed legislation, both in the interests of the depositors and the city itself. The request was made and courteously acceded to by the Mayor. At this interview fourteen banks, containing deposits of over $350,000,000, were represented; the facts of the case were plainly stated; attention was called to the nature of Savings Banks as the depositories of the savings of the working classes, who, as depositors, numbered already over 1,600,000, with deposits of over $600,000,000. The large percentage of the municipal debt of the State, now held by the banks, and the danger to the credit of these municipalities in the event of a forced sale of these securities, in times of alarm or panic, was shown. The need for the enlargement of the scope of investment, in view of the rapid increase in the volume of deposits—being over $40,000,000 in the year 1892—was pointed out. The great advantage to the community and to the municipalities themselves to be gained through the adoption of measures calculated to enable the banks to continue their present rates of dividends to depositors, and the substantial financial aid to the municipalities in the State rendered by the banks in past years, and which must continue in the future, notwithstanding the scope for investment was enlarged, were dwelt upon, while the injustice done to the depositor in forcing the investment of his hard-earned savings into narrow channels and at a very low rate of interest returned, when other channels for investment, equally secure, were obtainable, was referred to. The Mayor stated that this being a matter which affected all the municipalities in the State, and not that of the City of New York alone, he had concluded not to take any decided position either in favor of or in opposition to the bill; in addition to which was the

fact that though the banks had, in previous years, been of great assistance to the city (for the past few years such had not been the case) and that the credit of the city was so high, and their means of securing moneys so ample, that they were practically independent of the Savings Banks; at the same time he had listened with much interest to what had been said, and would give the subject his careful attention. The result of the interview was not, on the whole, satisfactory, and your Committee then renewed its efforts in the Legislature. Senator Bloodgood pressed a vote upon his own bill, and being aided by Senator Mullin in this effort, this particular bill finally passed the Senate and was sent to the House for action, and by that body referred to their Committee on Banks. Your Committee then decided that their efforts had better be directed toward the enlargement of the Bloodgood Bill by amendments, rather than to force a vote upon their own bill in the Senate itself. Every effort was made in this direction. A hearing before the House Committee was asked for and granted. The proposed amendments were presented, but the Committee declined to make any changes, and after keeping the bill in Committee until near the closing days of the session, finally decided to report it favorably; and this bill, in its original form, was finally passed by both branches of the Legislature. A conference among the leading Savings Banks of New York and elsewhere was then held to determine whether we deemed it for the best interests of the banks to favor the signing of the bill by the Governor, and it was decided that this course had better be adopted. The Governor was then asked to give a hearing to the Committee appointed to present the facts before him, which he granted, after which he signed the bill, which then became a law. The result, therefore, has been that after six years of prolonged and hard work the banks of this State have finally succeeded in obtaining very limited relief—entirely inadequate to their needs—and further efforts must be made either to enlarge the scope of the

Bloodgood Bill or to induce the Legislature to grant an extension of the privilege of investment in other directions. In the opinion of your Committee, the necessity for such action is increasing yearly. Already the Savings Banks of this State are carrying over seventy per cent. of its municipal indebtedness, while the volume of deposits is steadily increasing, the gain last year being about $41,000,000; and it may be well to state the figures upon which this statement is based:

Poor's Hand Book of Investment Securities for the years 1892–3 places the

County debt at	$ 12,139,000
City and town debt at	193,062,000
Total	$205,201,000

If this statement includes the villages, then the banks held about seventy-four per cent.; but if an allowance is made of $10,000,000 for the village and school district debt of the State (and this allowance is certainly ample), then the percentage of indebtedness held by the banks is about seventy per cent.

The municipal securities held by the Savings Banks in the State on January 1, 1893, were as follows:

New York City	$ 49,924,589	About 50 per cent.
Brooklyn	33,867,200	About 75 per cent.
Other cities a total of	36,395,636	
Counties	14,968,326	
Towns	9,261,576	Probably about 75 per cent.
Villages	6,580,199	Probably about 90 per cent.
School districts	1,529,971	Probably about 95 per cent.
	$152,527,497	

It may be interesting to add that the banks hold:

United States bonds	$109,375,460
District of Columbia 3-65's	5,378,800
Various states	44,820,029

In addition to the work done by your Committee in connection with their efforts to secure legislation in the direction already reported, they gave careful attention to such other bills affecting Savings Banks as were, from time to time, introduced into the Legislature.

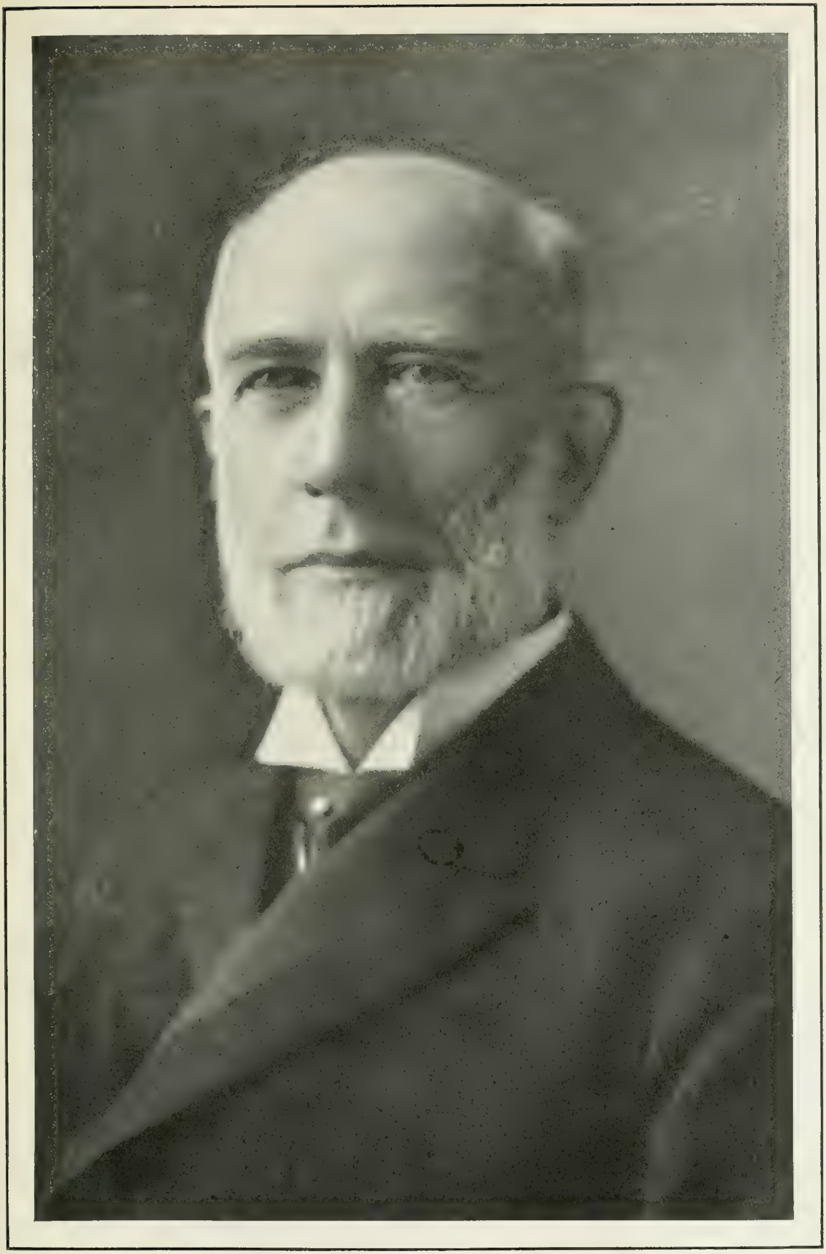
One of these bills provided for the taxation of all deposits in the Savings Banks in excess of $500; another for the levying of a tax of one half of one per cent. upon all loans on real estate secured by mortgage; and still another requiring the banks to furnish the Department at Albany with all the details in their possession connected with dormant accounts and the immediate payment of all such accounts into the State Treasury.

Constant vigilance will be required to prevent the passage of laws which, in their nature, will only impose still greater burdens upon the debtor class throughout the community and lead to serious injury of the interests of Savings Bank depositors.

The report of the Committee was adopted and ordered to be printed and circulated among the Savings Banks of the State.

The following is a tabulated statement obtained from the office of the Comptroller of the State, showing the total net debt of the various municipalities within the State, together with the amounts carried by the Savings Banks as reported by the Superintendent of the Banking Department in his annual report for the year 1893:

	TOTAL INDEBTEDNESS	AMOUNT CARRIED BY BANKS
Bonds of cities in this State . . .	$170,345,487	$120,387,970
" " counties " " . . .	12,772,305	14,785,111
" " towns " " . . .	12,777,167	9,254,133
" " villages and school district bonds in this State	12,024,032	8,125,214
	$207,918,991	$152,552,428



JAMES MCMAHON

PRESIDENT, 1893
FIRST VICE-PRESIDENT, 1894-1906

FORMATION OF AN ASSOCIATION FAVORED

At a meeting of the officers of Savings Banks, held on June 15, 1894, Mr. James McMahon presiding, a report was received from the Executive Committee favoring the formation of an Association, and if considered desirable, the incorporation of the same. It was agreed on all sides that their influence would be greatly increased and their recommendations and requests prove much more authoritative if it were well understood that the organization included every Savings Bank in the State; in other words, that the vast interests representing assets of more than *six hundred and twenty millions of dollars* would be all the better safeguarded and preserved if those in charge of them were banded together in a regularly organized association for the common good. A plan was therefore recommended, somewhat similar to that of the American Bankers' Association, a successful organization of nation-wide influence.

The Executive Committee which recommended this action consisted of John Harsen Rhoades (Chairman), William C. Sturges, James McMahon, A. C. Miller, J. Howard King, Andrew Mills; William G. Conklin, Secretary to the Committee. A proposed Constitution was submitted at this meeting, of which copies had previously been sent to every Savings Bank in the State, and after full discussion the same was adopted.[1] Mr. John Harsen Rhoades was chosen President; James McMahon, Vice-president; Andrew Mills, Treasurer, and Wm. G. Conklin, Secretary.

In order to show the trend of thought on this occasion,

[1] The first Constitution, together with the one under which the Association is now operating, will be found in full in the Appendix.

and to prove that the sentiment was not by any means unanimous for the formation of the Association, the following interesting extracts are given from the stenographer's report of the discussion at that time:

DISCUSSION OVER ORGANIZATION

Mr. Rodgers: May I be allowed to ask a question? Is there some lawyer in this body that can tell us how we can incorporate, if we wish to, the Savings Banks into one corporation? Who represents the Savings Banks, and how can we combine them?

Mr. Hughson: This question is an important one. I do not pretend to say anything as a lawyer. But it strikes me that it is impossible under the laws to incorporate the Savings Banks as a corporation, making the banks themselves corporate. It seems to me that the proper thing to do with this proposal is to leave the whole subject to a Committee, with power to employ counsel to determine that question in the first place. If the banks are to be incorporated, then we can, as delegates here, adopt a constitution; but the question of taking this thing up now by articles and putting it through seems to me a little premature. It could only be adopted by the boards of the different banks. If we adopt it as individuals, I do not think there is any law or statute law under which we can incorporate ourselves, and I do not think any one here would be likely to assume that risk. The proper course is to leave this whole subject to a Committee in the first place, with power to employ counsel to determine what sort of an association this should be, whether it can legally be a corporation, which I think clearly it cannot, and if it cannot, whether then it would be advisable for the banks to form an association in analogy to many of our mercantile brokers' corporations, which are called corporations improperly, being mere associations of individuals. If it should take that course, the officers would not be willing to bind themselves unless they are first authorized

by their several institutions to do so, in which case it would have to be left to the Boards of Trustees of the different Savings Banks to get their approbation. It seems to me, therefore, that the proper course in the first place is to refer this to a Committee, who shall employ counsel to determine what the association shall be, its nature and character, and then have it referred to the separate banks for adoption after fixing the articles in shape.

Mr. Trimble: Would it not be advisable, in the first place, as a preliminary question, there being such a large representation of banks here to-day, to discuss the main question, whether a corporation or an association is desirable any closer than the present organization that we have? There may be a difference of opinion about that, and I should like to hear the views of the gentlemen present.

Mr. Andrews: In order that we may speak to the point, I offer a resolution. We have been called together to consider the suggestion of the Executive Committee that we form an association or corporation. I move that we do organize ourselves into a regularly incorporated association, provided we can do so after legal advice has been obtained. This is only in order to bring the matter to a proper point for discussion.

Mr. King: I second that motion.

The Chairman: Gentlemen, you have heard the motion. Are you ready for the question?

Mr. Hughson: Will you make it definite? When you say "we," do you mean the Savings Banks of the State?

Mr. Andrews: This call is addressed to the officers. I prefer to read it just as it is here.

Mr. Hughson: It makes an important difference whether the officers are to be incorporated or the banks.

Mr. Harris: I move that we lay the resolution on the table. It seems to me that the Association has done very well in years gone by. The officers have done their duty ably and effectively, and it seems to me that we had better leave well enough alone. I am not aware of any law that

will authorize the incorporation of the Savings Banks, or the incorporation of individuals for the purpose of running Savings Banks, or looking after the business of Savings Banks or anything in their interest; and it seems to me that we had better leave this Association as it is to-day to do its work in the future as it has done it in the past. I see no objection to adopting some form of constitution and calling it a constitution, but it would be merely the adoption of a set of rules to control and to confine the business of the delegates from the different Savings Banks when they come together to consider matters relating to banks.

The Chairman: It is moved and seconded that the original resolution be laid on the table.

Mr. Rhoades: I am aware that a motion to lay upon the table is not debatable, but I trust that I may be allowed to say a word before the vote is taken. As I said before, as a member of the Executive Committee, I would like a full and free discussion of this whole subject, but I confess, candidly, that I hope the matter will thus not be disposed of by laying it on the table. Probably the gentlemen present, or most of them, do not realize the difficulty we have to contend with under our present loose organization. The burden of the work has fallen, so far, upon two or three men, and, so far as I am concerned, I am free to say the burden has been more than I can bear. The difficulty we now have in our loose organization is that we cannot obtain the warm interest of the different banks in any movement or in any help when we desire it. In the second place, we cannot go before the Legislature with any great authority—not such as we could if we were banded in some such form as has been suggested, even if we are not incorporated. Last year some of those who are present here will remember that we had grave doubts as to the right of our Executive Committee to take action, advising the banks in the State to suspend payment to their depositors, and yet if such action had not been taken the results might have been extremely dis-

astrous. Now these emergencies do not often occur, and yet if we had been incorporated, or if we had acted under a constitution framed in some such way as is now proposed, the Executive Committee would have felt that they had more authority than they have at the present time. I spoke some weeks ago to Mr. Preston, the Superintendent of the Banking Department, and told him the Executive Committee were thinking of suggesting this plan. In reply, he said that he thought it was a good one, and he could see no objection to it. I do not know whether we can incorporate ourselves—I am not a lawyer—but at the same time I do not see why we cannot incorporate an association of this kind just as the Banks of Deposit all over the country, national banks, and others incorporate themselves, having annual meetings in which all matters relating to banks are discussed; in fact, they have formed quite a strong association—so much so that they even have their committees employed to prosecute fraud. Why a national bank should have the right to incorporate when a Savings Bank has not, I cannot see; still, there may be some valid objection to such course. At the same time it seemed to the members of the Executive Committee that we needed a closer organization. Our experience at Albany last winter indicated this. We have been trying for years to obtain legislation, which it seems impossible to obtain in an honest way. We need all the strength we can get by being banded together, in order to get any relief whatever. As a gentleman told me recently, who was deeply interested in the passage of our bill in the last Legislature, and had had large experience at Albany: "Rhoades, you will have all your banks want to do for the next fifteen years in preventing vicious and bad legislation aimed at the Savings Banks system, to say nothing of obtaining necessary relief which I think is really demanded in your case." All these experiences have impressed themselves very strongly upon the Executive Committee, and I think most, if not all of us, can say that we believe our interests would be better protected and

better preserved if we form a closer alliance than we have at present. I am sorry to have taken up so much time, but this is the position, as I understand it, from the standpoint of the Executive Committee. I do not press for action, but when the motion is made to lay the subject upon the table, I would like to have the gentlemen here understand why the Executive Committee has proposed a closer alliance than we now have.

Mr. Hendricks: I hope the resolution to lay on the table will not prevail. I see no objection to the original motion. It is admitted by the fact of this meeting that something is necessary for our general good and welfare. The resolution, to my mind, is offered only for information, and I do not see that we will be doing anything out of the way in getting the information on this subject. I trust the motion will not prevail.

Mr. Sprague: It seems to me that much better use can be made of Mr. Andrews' motion than to lay it on the table. The fact that we are here shows that we require association. It seems to me that Mr. Andrews' motion can better be amended so as to eliminate something which appears to be of vital importance, but which I hardly can think so—that of formally legally incorporating under some statutes of the State of New York. We are not going to hold shares; we are not going to sue nor be sued, we hope. We are going to act entirely by moral methods. We are simply going to associate ourselves; and it seems to me that we can do it as well as a college debating society can by adopting a voluntary constitution and considering ourselves a body of gentlemen combined in a certain way and having common ends. If the Clearing House of New York and other great cities can get together and be legally incorporated, it seems to me that Savings Banks can. We shall not be running any risk if we drop the idea of a corporation or being considered a sort of trust. We all know how bad a trust is, but we shall be called a trust in a few days from now if we say anything about incorporation. We can do better than that. We have met to-

day, and there would be no harm to adopt a set of rules merely for our guidance, but let us do something rather than lay the subject on the table. We might call ourselves the Savings Banks Officers of the State of New York, and we could provide that a Savings Bank or savings institution or such officer as the President may designate shall form this. I think that would not be objectionable to any charge of being a corporation; but it seems to me that we ought to have something that at least has a name.

I very much doubted my legal power to sign a check for the expenses of this body, whatever it is. It has no existence at all. We do not even give ourselves the efficacy or potency of a common name by which we call ourselves. I was the secretary of a Committee appointed at a meeting held some time in 1892 by gentlemen representing various Savings Banks of the State of New York. That was the briefest way in which I could put it; and coming before the public in that way would not have much effect. I believe we can modify Mr. Andrews' motion and to make less prominent the idea of legal incorporation, and can proceed to adopt a set of rules that would be good for us.

Mr. Rodgers: The motion to lay on the table not being debatable, I would ask Mr. Harris if he will withdraw his motion.

Mr. Harris: My object was to extend the discussion rather than cut it off. I now withdraw the motion.

Mr. King: Mr. Rhoades has said almost everything that need be said for the Executive Committee, but I want to say a word for Mr. Rhoades. He, as we know, coupled with yourself, Mr. Chairman, has been the head and front of this Association during the past year, and almost since its inception. Mr. Rhoades was absent this winter, and nothing would have been accomplished of importance had it not been that you were willing to take his place. While we want to lean on the Chairman of our Executive Committee and to continue to lean on him, I wish to say that I think it is a wrong thing that we

should be so organized that we have not some proper system of doing our business when he is out of town. From what I have seen and from what Senator Hendricks has told me, that there can be no proper, legal incorporation, I still believe if we had an association we would have support; therefore, let us have an association. Let that association have the weight that consolidated effort gives. When we go before the Governor at Albany and ask him to veto a measure, let it not be Mr. McMahon, of New York, President of the Emigrant Industrial Savings Bank, who appears to speak a word in favor of or against such legislation, but let it be in the name of this Association, which should embrace every Savings Bank in the State, and then it will carry with it a force tenfold that which could be conveyed by him speaking as an individual. I am, therefore, in favor of having such an organization, such a Secretary, such a system of annual dues, small though they may be, that will aggregate a sum that when a bill comes before the Legislature, such a bill, for instance, as that introduced by Mr. Mittnacht, the knowledge that such a bill has been introduced is at once known to the Executive Committee, the Executive Committee to at once communicate with its Secretary, who may be a paid officer, and he at once send a copy of such bill to every Savings Bank in the State, and then let the President of that bank, or the Treasurer, or whoever is managing it, say to his trustees: "We want you to see or communicate with our member in the Legislature; we want you to interest him, and we want him to interest himself to defeat such bill or to favor it." These are the only tools we can employ—they are the only tools we wish to employ. It is the only thing we are justified in doing, and if we have a proper organization we will then have the burden fall more equally than it now does. You can go to Mr. Rhoades, as Chairman of your Executive Committee, but there is no more reason why you should go to him than to any other man in this room. I should like to make one more suggestion. We meet here, and it is

perhaps as wise to meet here once a year as anywhere, but it would be infinitely wise, if not wiser, to meet in Albany once in the winter. The doctors, the dentists, the lawyers, in fact many of the societies of the State meet there. Why not the Savings Banks? Then we would be able to bring right before the members of the Legislature the very arguments we want to bring, and we would have them effective. I trust, Mr. Chairman, that there will be such an association, such an organization, and such sums of money paid as will enable us to have a properly paid officer, with some counsel or person to represent us in Albany, so that the very instant there is a wrong about to be perpetrated, or a right that we want enforced, whether it be in Washington or in Albany, we will be able to bring the whole power of the Savings Banks of the State to bear upon our representatives wherever they are.

Mr. Harris: The question is not at all on the desirability of incorporation of the Savings Banks, but in the manner in which it can be legally carried out. If it is impossible to incorporate them, the next thing is, can they associate together, and the next question is, who forms the association? Do the Savings Banks form it, or do its officers that meet here form it? If the Savings Banks form it, they will, of course, have to incur the expenses. If the officers who meet here form it, we will have to incur the expenses. The question is whether the officers here form an association—form it among themselves—and are willing to incur the expenses, whether their banks will sustain them or not. That is the reason I proposed in the first place to refer the whole matter to a Committee to employ counsel, not to oppose, but to carry it out, and to provide the proper legal method of carrying it out. The desirability is proved by what has been effected already by this Committee; and everybody must admire the skill and the energy with which they have advanced the interest of the Savings Banks. In anything I have said I am not opposed at all to what has been said as to the desirability

of this Association. It is only as to the method by which it is to be carried out.

The Chairman: As I understand the motion, it is that we proceed and adopt the constitution, which was duly seconded.

Mr. Andrews: The intention was to bring forth an expression of opinion from those present as to whether it is the sense of this meeting that we shall proceed and form this association. Whether it be an organization, a corporation, or association, I do not care. But we do want to arrive at some consensus of opinion whether we shall go forward or drop it. That is what the resolution was intended to bring forth. I think the resolution offered before mine could be very well added, and the whole matter be referred to a Committee to report definitely what we can do. Candidly, when I heard the names read of the gentlemen who signed that report, I took it for granted that they had investigated the whole subject, and could say definitely that we could form or incorporate an association; but they do not seem to have investigated it.

Mr. Rhoades: In this connection I do not think the Executive Committee has any doubt whatever as to the right of the officers representing the Savings Banks at this annual meeting to adopt a constitution drawn upon the lines of the one proposed, with possibly some slight modifications. I did suppose that, so far as an act of incorporation was concerned, there might be some legal difficulties in the way, but we must bear in mind that we are now only perfecting an association. For the past two years we have agreed to have an annual meeting; we have appointed an Executive and a Standing Committee, and it has been agreed by those present at each annual meeting that the members of the Association shall pay $5 as annual dues; and what we now propose to do is simply to bring this Association into a better working condition, by having a constitution and well-regulated rules for our guidance. I admit, frankly, that if we decide to adopt a con-

stitution at this meeting, the only proper course for the officers of the Savings Banks to follow will be to furnish a copy of such constitution to their Board of Trustees, state to them the advantages of the banks being associated in the manner proposed, and urge their consent to allowing the officers, in their name, to join the Association, to work with it, and pay such annual dues as are imposed by the rules of the Association. If the matter is properly presented and the Board of Trustees thoroughly understand what has been done and what it is intended to do, I have not the slightest doubt that they will willingly consent to join with all others in completing such an Association as will, in my judgment, be of the greatest service to the Savings Banks interests of this State.

I do not think there is any legal trouble in the way. The reference to a Committee would simply result in the whole subject being carried over for another year, for the reason that we have but one regular meeting and many of the members come from a distance, and therefore it would be difficult to obtain a full representation at a special meeting. I hope, therefore, that the proposed plan will be discussed, modified, and finally adopted at this meeting, and the Secretary instructed, before we adjourn, to send copies to every Savings Bank in the State coupled with an invitation to become a member of this Association, suggesting that such action be ratified by their Boards of Trustees; and this would set the whole scheme in motion.

Mr. Rainey: Mr. Chairman, I offer an amendment to Mr. Andrews' motion, that the officers of the Savings Banks of the State of New York organize a regular Association and adopt a constitution, and that we do nothing about incorporation at this time.

Mr. Hendricks: I second that amendment.

Mr. Trimble: I should like to ask if this Association would have any more power or influence than the Association as it is now. On the main question, whether incorporation is desirable, I differ in opinion with my friends and associates with great reluctance. It seems to me that

incorporation is open to objection on two grounds, as tending to constrain and limit the freedom of action of the individual banks. I am pretty old-fashioned myself, and represent a very old-fashioned corporation, and I think they would be very shy of coming into an association by which they would be constrained in any way to do what they did not think proper to do. I feel the constraint in believing it my duty to say what I am saying now and to differ with my friends. It has a great deal of influence, and some gentlemen may not feel willing to put themselves within it. Second, as likely to increase and intensify the opposition to Savings Banks on the part of politicians and municipal officers who seek in one way or another to use depositors' funds. In various ways there is almost an organized hostility to Savings Banks in this State. Now, however unjust it may be, there would be an outcry from these sources against a Savings Bank trust with $600,000,000 to dictate and control legislation with; that would be a cry which we would have to meet, undoubtedly. I think it would be of considerable disadvantage to the interests of the Savings Banks to open the door to any such criticism. My own feeling in regard to Savings Banks is that they should do their business, a proper business, as quietly and as unobtrusively as possible, not to be in evidence much of the time. But it is very proper that we should have some means of acting in concert when the necessity arises, and I supposed the present organization had been found sufficient for that end. But to form an organization or a corporation, which in one way or another would expose us to criticism just or unjust, and to constrain the action of the banks, I feel strongly opposed to, and opposed to becoming committed to any decided position and advocacy of any particular plan. It seems to me that we are doing pretty well as we are.

Mr. Rainey: The amendment I made was not to incorporate, and I do not suppose it is possible for this association, if it was incorporated, to bind the trustees to any course of action.

Mr. Foster: I rise with some reluctance. I represent a bank in the easternmost county of this State. We feel modest about coming before you, but we do most earnestly want to see this thing passed and have an Association. We have felt a very great relief when we found that we had an Executive Committee that were looking out for those matters that were being presented to the Legislature. There are so many bills that are presented simply as a strike at the Savings Bank. While we have an Executive Committee to watch these bills, we are ready when they call upon us to do what we can. We feel that we cannot do much. As we are in the country, we are differently situated from many of the larger Savings Banks in the State. These bills that are coming up, such as the submitting of our books to the inspection of the assessors, would hurt us seriously. Our people are careful, and are very timid about putting their deposits where assessors can see them; and every year some bill of some kind has come before the Legislature that we should be sorry to see become a law. We want to do what we can to prevent it. What good will it do for one of us to go to them? But if we combine with all the other banks, and have an association of this kind, while they are protecting themselves they are protecting us. The Executive Committee have given much time, thought, and study to this matter, and have done their part well. We feel that we have been protected. They suggest this, and we heartily say amen, and hope this will be passed.

A Member: What is the motion before the house?

The Chairman: The amendment to the original motion is that we proceed to adopt a constitution for an association to be christened hereafter.

A Member: It seems that all we want to do is to name this child. It is growing and doing good work.

Mr. Rhoades: I wish to say a word in answer to what Mr. Trimble has said who represents one of the largest Savings Banks in the State, a personal friend, and a man whose judgment I respect very highly. I do not know that

I can make a better answer than to put it in the shape of a question and ask him what, in his judgment, would have been the results last year during the panic had it not been for the existence of this loose association, which was created two years ago? When the meeting was called by the Executive Committee to consider the gravity of the situation as relating to Savings Banks, and the officers of the banks near at hand were requested to be present at such meeting, there was not a man on the Executive Committee who had the least idea that any action such as was taken was needed or would be taken at that meeting. Under such a condition as to the mind of the individual, the result would have been, if we had not had an organization through which we were able to come together, discuss the situation, and to take authoritative action, that the conditions of affairs then existing would probably have continued for a week longer. If it had gone on for a week longer—yes, for three days longer—in my honest judgment we would have had a wild panic among our own depositors and in the Savings Banks throughout the State of New York and through Eastern States, which fact would have produced an aggravated condition of affairs in banking and commercial circles sufficient to have caused much greater disaster than actually occurred. The run was stopped and relief came. Why? Because we had an organization—a loose organization to be sure, but sufficient for the purpose—and an Executive Committee, who, with their associates, saw the necessity of the occasion and acted upon it. If this is not the best object-lesson we could have, as showing the necessity of a strong organization, then I do not know of another one. Again, take the instance of the Wilcox Bill, which recently passed the Legislature, and by the terms of which the banks were required to publish all deposits on which there had been no transaction for the preceding five years. If there had not been this Association, loose in its organization as it now is, that bill probably would have been signed by the Governor and be a law to-day. I do not fear, as Mr. Trimble fears, that the

fact of an organization tends to weaken and to excite hostility toward the banks. On the other hand, I feel that it will strengthen us. We must hold together in order to resist bad legislation. We must hold together if we are to obtain relief in any direction from the Legislature of this State, and I tell you when we do hold together and do act together we are a power. Individually, we are not. That is why I urge so strongly the formation of a permanent association, which would hold and bind us together. Personally, we have no interests to serve in the matter. There is no interest to serve but the interest of our depositors. Our interests are all alike and all akin. There is not a small bank in this State, when it comes to legislation, which has not more influence with the Legislature than the individual banks in New York City. We need their help as well as they need ours, and we need to work together with them as one man. Let the public know this, and let them know that we are bound together not to protect our own individual interests but the interests of one million and a half of depositors, with $620,000,000 of their savings in our care, and you may rest assured that they will sustain us in our efforts to do what is right. Upon this ground I am willing to stand before the public and fight it out on this line all my life.

Mr. Trimble: I would like to ask another question in reply, as to whether the action of the Executive Committee of the present Association is not thoroughly effective?

Mr. King: I think there is some little misapprehension, although Mr. Trimble has not said a single word to me. I do not feel, and I suppose that is the feeling of almost every man here who is a Treasurer or President of a Savings Bank, that he is by his action here, or by forming an association, going to bind his Board of Trustees to certain policies of investment or otherwise. It is not the idea that this Association is to be formed in that way, and I can understand, in some measure, the feelings of Mr. Trimble when he says it is doubtful whether he would like to commit his Board of Trustees, and whether his Board of

Trustees would suffer themselves to be committed. This is not the idea. We are to be left just as free in all of these matters, and in all matters of investment, as we are to-day. We join hands simply for advice, coöperation, consultation, and for the protection of our depositors, and that is all there is in it. This, I think, is one of the great points, this standing together, as Mr. Rhoades insinuates, fighting it out, as General Grant said, if it takes all summer and next winter, too.

Chairman: If your Chairman might be allowed to suggest a name for the child, why not let it remain as it is, the Savings Bank Association?

Mr. Rainey: Why not, if you decide to organize, name it as suggested in your proposed constitution?

The Chairman: Then, as I understand, the question before the meeting is, shall we form an association for mutual protection?

Mr. Harris: By whom is that association to be formed? I would like to have it in proper form.

Mr. Rainey: My motion is this: that the officers of the Savings Banks of the State of New York here represented organize a regular association and adopt a constitution.

Calls for the question.

Chairman: You have heard the motion, which has been duly seconded. Are you ready for the question? All in favor please signify by saying aye—contrary-minded, no.

Unanimously carried.

Chairman: What is your further pleasure?

At this point in the proceedings the proposed constitution was presented by the Chairman of the Executive Committee, taken up section by section, carefully analyzed, discussed, amended, and finally adopted unanimously.

THE FIRST LIST OF OFFICERS

At this first Convention, the Nominating Committee, Messrs. King, Rainey, and Andrews, reported in favor of

JOHN HARSEN RHOADES, SR.

PRESIDENT, 1894-1899

the election of the following officers, who were unanimously chosen:

President: John Harsen Rhoades, President, Greenwich Savings Bank, New York.

Vice-President: James McMahon, President, Emigrant Industrial Savings Bank (also recommended for Chairman of the Executive Committee).

Secretary: William G. Conklin, Secretary, Franklin Savings Bank, New York.

Treasurer: Andrew Mills, Trustee, Dry Dock Savings Bank, New York.

Executive Committee: William C. Sturges (Chairman), President, Seamen's Savings Bank, New York; A. C. Miller, Treasurer, Utica Savings Bank; Samuel R. Rainey, Secretary and Treasurer, Hudson City Savings Institution; J. Howard King, President, Albany Savings Bank; Ed. S. Dawson, President, Onondaga Savings Bank, Syracuse.

Members *ex-officio*: John Harsen Rhoades, James McMahon, Andrew Mills, William G. Conklin.

BANKS REPRESENTED AT THE INITIAL MEETING

A list of banks represented at the initial meeting is given herewith:

Albany Savings Bank, Albany, J. Howard King, President.

Auburn Savings Bank, Auburn, E. H. Townsend, Treasurer.

Binghamton Savings Bank, Binghamton, Harris G. Rodgers, Treasurer.

Cayuga Co. Savings Bank, Auburn, W. H. Meaker, Treasurer.

Cohoes Savings Bank, Cohoes, W. T. Dodge, President.

Hudson City Savings Institution, Hudson, Samuel R. Rainey, Secretary.

Onondaga County Savings Bank, Syracuse, E. S. Dawson, President; Wm. D. Dunning, Trustee.

Oswego County Savings Bank, Oswego, Joseph B. Lathrop, Treasurer.

Poughkeepsie Savings Bank, Poughkeepsie, Edward S. Atwater, Trustee.

Rochester Savings Bank, Rochester, Edward Harris, Trustee.

Portchester Savings Bank, Portchester, John W. Diehl, Assistant Cashier.

Riverhead Savings Bank, Riverhead, Nat. W. Foster, President.

Rondout Savings Bank, Rondout, J. E. Derrenbacher, Secretary.

Syracuse Savings Bank, Syracuse, Francis Hendricks, Trustee.

Southold Savings Bank, Southold, H. H. Hunting, Secretary, J. G. Case, Vice-President.

Troy Savings Bank, Troy, Chas. E. Hanaman, President.

Yonkers Savings Bank, Yonkers, S. Emmet Getty, Secretary.

Brooklyn

City Savings Bank of Brooklyn, Theophilus Olena, Vice-President.

Dime Savings Bank of Williamsburg, Henry Geckler, Assistant Secretary.

Dime Savings Bank of Brooklyn, B. H. Huntington, President.

East Brooklyn Savings Bank, Eugene F. Barnes, Treasurer.

East New York Savings Bank, Frank C. Lang, Secretary.

German Savings Bank, George H. Fisher, Trustee.

Williamsburgh Savings Bank, J. V. Meserole, President.

New York City

Bank for Savings, Merritt Trimble, President.

Dry Dock Savings Bank, Andrew Mills, Trustee.

Emigrant Industrial Savings Bank, James McMahon, President.

Franklin Savings Bank, William G. Conklin, Secretary.

German Savings Bank, Philip Bissinger, President.

Greenwich Savings Bank, John Harsen Rhoades, President.

Harlem Savings Bank, Charles B. Tooker, President.

Institution for the Savings of Merchants' Clerks, Chas. C. Brinckerhoff, Secretary.

Irving Savings Institution, David M. Demarest, President.

New York Savings Bank, Frederick Hughson, President.

North River Savings Bank, Samuel D. Styles, President.

Seamen's Bank for Savings, William C. Sturges, President.

Twelfth Ward Savings Bank, Isaac Hopper, President.

Union Dime Savings Institution, Chas. E. Sprague, President.

United States Savings Bank, Constant A. Andrews, President.

In this list are thirty-nine institutions. Since the organization of the Association the number of banks constituting it has grown to 127. There are 140 Savings Banks doing business under the law of the State.

CHAPTER II

Second Annual Convention—First Deaths Reported, Those of Addison C. Miller, Utica, and Harris G. Rogers, Binghamton —Vigilant Watching of Legislation—The Elmira Savings Bank Case—Uniformity in Bank Bookkeeping—An Illuminating Discussion of an Important Subject—Views of President Rhoades.

AT THE Second Annual Convention which was held in the rooms of the Chamber of Commerce, 32 Nassau Street, New York City, on Wednesday, May 15, 1895, the representation of banks had increased from thirty-nine, at the first Convention, to fifty-two. There were eighty-eight banks coöperating in the temporary organization, all but three of which subsequently joined the permanent organization, which, with thirteen additional ones, made the total membership ninety-eight.

In pursuance of the policy of the Association to keep in close touch with all proposed legislation affecting Savings Banks, it had been decided by the Executive Committee prior to the meeting of the Convention that it would be advisable to secure the services of a resident agent in Albany, if a suitable person could be obtained. Mr. J. Howard King, President of the Albany Savings Bank, was deputed to seek for such a person, and upon his report and recommendation Mr. Marcus T. Hun was engaged for the service, viz.: to keep the Committee and banks fully informed as to all bills introduced in the Legislature affecting Savings Banks and their progress from time to time; to appear before committees of the Legislature when

desired, in behalf of the banks, to interview such members of the Legislature as he deemed necessary, instructing them concerning the merits and demerits of bills. Mr. Hun's compensation was fixed at $1,000 for the year. The Committee expressed its entire satisfaction with Mr. Hun's services and appreciated his usefulness to the banks.

ADDRESS OF PRESIDENT RHOADES

In calling the Convention to order, President Rhoades said:

It is with a feeling of sincere pleasure that I welcome you to the second annual meeting of our Association. Bound together by no selfish ties, and acting purely in the interest of the great mass of our population, who through confidence in our management have entrusted to our care their savings, which to many of them means the only barrier which exists at times between poverty and starvation, it is well that we join hands and come together to consult upon the best means obtainable, not only to maintain the integrity of the system we represent, but to broaden its usefulness and to extend the beneficent influence of thrift and economy throughout our entire population.

As I look back upon the small beginnings of the Savings Banks in this State, and think that out of deposits amounting to a few hundreds of thousands of dollars at the start there has grown up an aggregate of nearly six hundred and fifty millions of dollars annually, increasing not by thousands but by millions; and then realize what a power for good this vast sum has become, not only in the benefits derived by the single depositor but in the practical aid it gives to the development of our commonwealth, I feel that we are engaged in a work of which we may well feel proud, and to which we may well be content to devote our lives, assured that in the faithful discharge of the duties thus devolving upon us we are acting no mean part in

making our own lives useful to our fellow citizens. Let our aim, therefore, in the future, as in the past, be to guard with care this great trust so sacred in its character and so beneficial in its operations.

I wish it were in my power to add that all the members present last year are again here to add the weight of their wise counsels to our deliberations, but life is uncertain, and it is with sorrow that I inform you of the death of two of our members: Mr. Addison C. Miller, Treasurer of the Savings Bank of Utica and a member of our Executive Committee, died December 18, 1894.

To those who came in contact with Mr. Miller, I need not say one word of commendation to strengthen the high regard in which they held him and the deep sense of loss they now entertain. No member of this Association was more devoted to its interests; no man could be more unselfish; no counsel more wise; no friend more generous, than he. I can best tell you how he was regarded in the community in which he lived by quoting extracts from the leading journals in Utica written at the time of his death, in which they say:

"The business capacity of Mr. Miller was simply wonderful. Considered as a banker, as a manufacturer, or as a lawyer, he achieved signal success in each branch, and what he did in each would have constituted the life work of any one man.

"It was to the business of the Savings Bank, however, that he gave his closest personal attention. No man in this country was more familiar with all the details of this business than he. As has been stated, he was the Father of the present Savings Bank system of this State, and he constantly studied how he could improve the system and throw more safeguards around the interests of the depositors. In January and July of each year he was found for four weeks at the Savings Bank. During this period he never went near his office, nor could any one see him at the bank on other than bank business. His place, while the bank was open, was not behind the desk but in front of it in the crowd of depositors. He would inquire into the business of each and give them many suggestions which were timely and valuable. His constant solicitude was for those who were not versed in financial affairs nor accustomed to the handling of much money. When one of these drew an amount which a wage-earner would regard as large, Mr. Miller

would inquire: 'What are you going to do with this money? Are you certain you have a safe place in which to invest it?' And then he would give his advice as to the prudence of the moment."

Another journal, speaking of his death, says:

"In the life so unexpectedly ended there was more practical, wholesome good than it is the fortune of most mankind to possess. The citizens of Utica will not easily appreciate how potent and how active a factor death has just removed from their circles. Keenly alive to the welfare and interests of the city, he, whom all so deeply mourn, has devoted his unselfish and unceasing service whenever time or occasion permitted. To the poor he was a benefactor, and in the many little homes made possible by his zeal and wisdom his passing will be mourned and his memory cherished. Such a life was worth the living, for he, who lived it, will be remembered as a public benefactor.

"Business and professional men, men and women on farms and in trade throughout this whole section, men employed in the various industries and enterprises in which he was a leading spirit, young men starting out in life and those in whom the years have nearly run their course, will hear of the death of Addison C. Miller with sadness, and join in saying he was a true friend, a kind and sympathetic neighbor, a wise and safe counsellor, an honest man in whom there beat a heart rich in warm friendship and filled with generous impulses."

What nobler tribute could be given to the great ones of the earth, and wherein are they greater than he, who gave his life to the service of others, and by his unselfish deeds done to his fellowmen fulfilled the words of the great Prophet and Teacher of mankind when He said: "Inasmuch as ye have done it unto the least of these my brethren ye have done it unto me."

Mr. Harris G. Rogers, Treasurer of the Binghamton Savings Bank, died on May 2, 1895; a man of sturdy independence and clear thought, devoted to our interest, and valued alike by us, and in the community in which he lived, as an upright man, a good citizen, and a christian gentleman. From both of these lives we can gather much to imitate, much to cherish, and much to hold in sweet

remembrance, as of chosen friendships in life which are never forgotten.

WATCHING LEGISLATION

The Executive Committee made report in reference to bills affecting Savings Banks. Few possessed any novelty and most of them were thoroughly understood by bank officials. One of these bills required the banks to send annually between January 5th and 15th to each depositor a balance statement of his account. It was shown that with banks having from 50,000 to 100,000 accounts this would be impracticable and absurd. Another bill introduced in the Senate required so-called "dormant" accounts of seven years to be annually reported and advertised. The Committee naïvely remarked that the advertising feature of this bill was sufficiently suggestive of its object. Mr. Kilburn introduced a bill requiring a separation of premises of Savings Banks from banks of discount. Another bill was introduced concerning the eligibility of bank trustees, etc., and Senator Smelzer introduced a bill requiring annual reports to the Banking Superintendent of all so-called dormant accounts of twelve years' standing, including the amounts of their credit balances, and requiring such reports to be open for public inspection. Twice during the session the Committee visited Albany concerning legislation, the last visit being in connection with the Smelzer bill. Seven officers of the banks appeared before the Senate Committee, and presented strong arguments against the passage of these bills, showing the apparent viciousness of their intention, which opinion was endorsed by the Senate Committee, and it was reported that all of the bills relating to dormant accounts were practically "dead." It was further reported that Senator Kilburn's

bill, in a modified form, would probably become a law, as well as that relating to bankrupt trustees.

The Elmira Savings Bank case, which involved the question of the legality of Savings Banks' claims as preferred creditors of National Banks, was soon to come before the Supreme Court of the United States, and the Elmira bank being a small one and unable to bear the expense of carrying the case to the highest court, and in view of its importance, the Committee recommended the employment of Mr. James C. Carter, of New York, to argue the case for a fee of $2,500, and that this being an extraordinary expense it be assessed upon all the members of the Association. This was subsequently decided upon, thus early showing the great benefits of the organization.

UNIFORMITY IN BANK BOOKKEEPING

One of the most interesting and valuable papers read before the Association was that on "Uniformity in Bank Bookkeeping," presented at this meeting by Mr. Charles E. Sprague, of the Union Dime Savings Institution of New York. Mr. Sprague presented twelve types of Savings Banks entries, which seemed to him to cover all the regular, normal transactions of any possible Savings Bank doing business under the New York law. His conclusions were as follows:

Uniformity in bookkeeping among the banks is neither desirable nor practicable. The best methods will work themselves out by each studying its own wants and by intelligently utilizing, so far as applicable, the experience of others, to which end, I hope, our Association will greatly contribute. The supervising authorities should judge by results, not interfering with the particular way in which the thing is done by asking: "Where do you get such and

such figures which you present to me?" and condemning such systems as do not furnish ready answers to their questions.

PRESIDENT RHOADES' VIEWS

In discussing the paper and the author's conclusions, President Rhoades said:

I have said so much as your presiding officer that I intended to keep silent now, but my desire and the desire of the officers of the Association is that there shall be a full and frank interchange of opinion on these important questions, and it is only for that reason that I venture to address you for a few moments, in the hope that the discussion will become somewhat general between us. I confess candidly that this is the first time I have seen, or heard read, this paper, and my impressions are only those that come to my mind at the moment. That there is necessity for good bookkeeping in all the banks in the State there can be no question. So far as the large banks are concerned, where they have ample resources and means at their command to employ all the clerks needed, of course an intricate system of bookkeeping can be indulged in, as there is in the bank which I represent; and, while our system is adapted to our peculiar needs, we find among other large banks that their systems are equally good for their own special requirements. The trouble in my mind has been this, and I have asked myself the question: How can small banks surround themselves with elements of safety so that the trustees can feel that the clerks who keep their books are keeping them correctly, and that there are proper checks upon them? I confess—and I agree with Mr. Sprague in that—that I do not think any one system of bookkeeping can be adopted, for the reason that a small bank must employ but a few clerks. In a small bank the teller, who is paying teller, is also as a rule receiving teller; and, not only that, but he frequently acts as bookkeeper. Therefore a transaction with that bank on the part of a

depositor is one in which one man makes the whole course of entries, and there is practically no check upon his work except the innate honesty of the man, and in this view I cannot see how the small banks can surround their method of bookkeeping with a system of checks which will minimize the danger of loss. It has always seemed to me that the smaller banks in the State ought, at certain intervals, to employ a thoroughly competent expert to examine into their condition, and not leave it alone to the State Bank Examiner, but do it on their own responsibility and for their own satisfaction, and I believe in that way only can they be fully protected from loss. Then, I think there are certain general rules which will help lessen the danger of loss. In the bank that I represent we do not allow a trustee or any clerk to keep an open account with us. If they wish to open an account with a Savings Bank it must be elsewhere. In fact, the law forbids a trustee to have such an account. In that way we diminish, so far as any personal transactions with them are concerned, the liability of their making drafts on their own account, they having control, as it were, of the receipt and payment of moneys. I think this is a rule which it would be well for all the banks in this State to establish. More than that, I think there should be frequent examinations—that is, say at least once in three years—by an expert accountant entirely outside of the bank itself. This will aid a great deal in securing safety. Then, too, I think that in the employment of clerks, they should start in as young men who should be promoted from time to time as their efficiency warrants, and as vacancies occur, and that they should not be promoted at all because of any favoritism on the part of any officer or trustee of the bank. In my own bank we have this rule established, and with us no clerk is employed unless he starts with a moderate salary, say $500 a year. If he is found efficient he retains his position, and as vacancies occur he is promoted. In no instance have I ever, as President of the bank, permitted any outsider to come into our employ over the heads of clerks already in the bank.

No trustee is allowed—if I may use that expression—to secure the appointment of any outsider to overtop men already in the service of the bank. In this way we think we gain the best efforts of the men we employ. They feel whatever chance there is in the bank in the way of advancement becomes their property; and, whether it is the system, or whether it is because we have been particularly fortunate, I am happy to say that during my connection with the bank, and that has been ever since I was twenty-four years of age, we have never had a defalcation. So well has this system worked with us that we have never required bonds to be given for a single clerk. The esprit de corps has been so well established with us that I have been averse to requiring bonds from our clerks, because I have felt that it would disturb the existing status between the clerks, the officers, and the trustees.

CHAPTER III

Third Annual Convention—Return of Prosperity Delayed by the Spread of Financial Heresies—Trade Paralyzed and Commerce Stagnated—The Association Rallies to the Gold Standard—Mr. McMahon's Resolution—Effect of Derangement of the Currency upon the Savings Banks—More Objectionable Bills Killed in Their Inception—Notable Address of Supt. Kilburn, of the Banking Department—Mr. S. R. Rainey's Services Suitably Recognized—Important Topics Discussed.

THE most important subject considered at the Third Annual Convention of the Association, held on the 20th day of May, 1896, was that of the inflation of the currency The hoped-for return of prosperity was delayed by mistaken ideas of finance and a disordered and ill-arranged currency system, which not only produced inflation but engendered a deep-seated feeling of distrust which did much to paralyze trade and commerce and cause stagnation in all branches of business.

RALLYING TO THE GOLD STANDARD

In referring to the existing conditions and the prospect of improvement, President Rhoades, in his opening address to the delegates, said:

I wish I could congratulate you upon the return of an era of prosperity to our country, so vital to the working classes, but mistaken ideas of finance and a disordered and ill-arranged currency system have not only produced inflation, from the evil consequences of which we are now suffering, but have also produced a deep-seated feeling of

distrust, which has done much to paralyze trade and commerce and cause stagnation in all branches of business.

In my judgment, and I believe in your own, we cannot hope and expect the return of prosperity until the currency question is settled upon a basis which will place and keep our credit equal to that of the most favored nations of the world. Whether the time for this settlement is near or far distant will largely depend upon the results of the coming election; and, indeed, upon the issues now at stake rests the welfare of the people at large, and especially those whom we so largely represent, for, as we know full well, those who gain the most through a sound currency, or lose and suffer most through one that is inflated and in a disordered condition, must be the laborer and the producer. Let us hope and believe that the judgment and good sense of the common people, who have always been the strength and mainstay of our country in its time of need, and the great mass of whom are not only honest, but think deeper than we are apt to imagine, upon all matters which affect the welfare of the community, will settle, at this coming election, once and for all, this momentous currency question, which, for the past ten years, has disturbed our commerce and blocked our progress as a nation, and render at the polls a verdict which will determine for all time the fact that the people of the United States of America will not consent, under any condition or through any compromise, to depart from the standard of value which is recognized by all the civilized nations of the world as the best and only standard to maintain.

As is usual in times of depression and doubt and uncertainty, the Savings Banks located in the larger cities, and especially in the great centre of trade, are apt to increase largely in deposits owing to the depositing of moneys by the middle classes, who are unwilling to enter upon new ventures or entertain an expansion of business and use the banks as a safe depository until restored confidence tempts them to employ their savings in the ordinary channels of trade; and so we are not deceived, and the public

should not be deceived, in the idea that increased deposits in Savings Banks during the past few years indicate a general condition of prosperity, for such is not the case. The deposits in the Savings Banks of this State from 1873 to 1877, inclusive, constantly increased, and it was not until 1878 that the exhaustion of the people really showed itself in its true light, and the banks failed to show an annual gain in deposits.

Your Executive Committee will give you a full report of all action on your behalf taken by them during the past year, but I cannot refrain from commenting, for a moment, upon that taken in regard to a bill introduced in the Legislature to permit of investment by the banks in the bonds of the cities of Springfield and Newark, to which was subsequently added Kansas City. When this last city was added, it became evident that a serious effort, backed by political and personal interests, was being made to force the bill through the Legislature, with every probability of success. The officers of your Association felt that the time had come when the full power of your Organization must be exercised to prevent this legislation, not only because we were unwilling to have this city admitted to the list, but because we felt that if bills of this character were to be introduced, without consultation with the banks, and pushed into law, it would be but a few years before the safeguards now surrounding us would be broken down and the integrity of the Savings Bank system demolished.

As you are aware, for ten years we struggled hopelessly to secure an increased scope of investment, based upon conservative, and as we believed thoroughly sound, views of financial legislation; and when the relief came we all recognized that it was given grudgingly to others interested and not to ourselves, and after a positive refusal to entertain the bill introduced through our action.

If such has been and is likely to be the temper of the Legislature, then it becomes of the utmost importance to the Savings Banks that we should defeat this class of legis-

lation introduced by private parties and solely for personal and selfish ends.

Therefore it is a source of pleasure and gratification to state that our efforts in this instance proved successful, and that in these efforts we were aided and benefited largely by the advice and personal efforts of Mr. Kilburn, the Superintendent of the Banking Department, who threw at once, and without hesitation, the weight of his power and influence in the scale and fought earnestly and loyally to defeat the measure, which he, with ourselves, felt to be at least unwise, if not unsafe, in its character. Had the interests at work in favor of this measure been powerful and determined enough to force its passage through the Legislature, you may rest assured that your officers would have called into action the reserve power of every bank in our Association to sustain them in their efforts. In contemplation of the necessity for this, they counted with perfect confidence upon your loyal support, knowing that you share with them the feeling that the integrity of our present Banking Law must be maintained at all hazards.

There is a subject which I deem worthy of your attention and to which we ought to give careful consideration, and that is the necessity for laws in every State of the Union, compelling all municipal bonds, whether city, county, town, or village, to be properly registered in the office of some reputable bank or trust company. The aggregate issue of this class of security equals, if it does not exceed, the issue of railroad and corporate bonds, and if the public demand, as they do, the registration of this class of security, equally important is it that the legality and totality of all municipal debts, as represented by bonds and certificates of indebtedness, should be certified as correct. As the matter now stands, the integrity of the officers charged with such issues is the only safeguard we have against over-issue, and in my judgment the risk assumed by purchasers is far greater than we, or the public at large, are aware. The sooner this subject is agitated, and the attention of the legislators of the various States

is called to its importance, the better it will be for the investor and the safer for the community.

We have lately had an instance of an issue of a large amount of bonds by the authorities of one of our largest cities in the State, which has passed without comment, but which shows the dangers possible surrounding the issue of municipal securities. The debt of the city of Brooklyn had approached its constitutional limit—the merging of the county of Kings into the city of Brooklyn was determined upon and the date fixed. Within the year preceding such consolidation, the debt of that county, which practically was covered by the city of Brooklyn, was nearly doubled; in fact, increased from $8,000,000 to $16,000,000, and of this increase more than $4,000,000 was created within four weeks of the expiration of the existence of the county and of the officers authorized to make such issue; and all of this without one word of protest made either by the authorities of Brooklyn or of the Savings Banks, who hold at least one half of the debt of this city. That these issues were legal, I have no doubt, but what shall be said of the moral legality of such an issue, and what of the dangers which may exist in the future if proceedings such as these shall pass unchallenged?

Gentlemen, the whole subject is a grave one and should receive, as I have already said, your careful attention; and the necessity for this will be commented upon seriously in the report of your Executive Committee.

There is still another matter to which I feel your attention ought to be called, and it is this: Under the Act consolidating the cities of Brooklyn, Long Island City, and Richmond County into and with the City of New York, under the term of the Greater New York, it is evident, from objections made before the mayors of these cities and by the terms of the memoranda filed by the Governor of the State in connection with his approval of this bill, that the right of the counties of New York and Kings to borrow money independently of the cities named will be restored. If this be so, then the constitutional limit of ten per cent.

indebtedness on the assessed valuation of real property contained in the city will be practically evaded and a large debt be ultimately created, outside and in addition to the city debt, equal in its limit to ten per cent. on the assessed valuation of the county, which is, of course, the same as the city, thus practically annulling the wise provision now existing, that the debt limit of cities shall be fixed by law, and creating a possibility for doubling this debt limit.

The Savings Banks of this State now hold nearly if not one half of the entire net debt of the cities composed in the Greater New York, a sum equal to at least $70,000,000. It is therefore of the utmost importance that our influence should be exercised with the Commission to be appointed by the Governor, to prepare a Charter for our new and larger city, to so properly adjust the existing debts of these cities as is equitable and fair to each, and, more than all, to prevent the possibility of an undue increase of the same, especially in the direction of the powers to be given to restore Boards of County Supervisors; for upon these grave financial issues rests, for many years to come, the future credit of our city, which heretofore has been of the highest and best in its character. The whole subject, in this regard, is fraught with danger and anxiety, and we certainly should take some action thereon.

In bringing these various matters to your attention, I beg of you to observe that I have done so entirely on my own responsibility and only through a desire to call to your mind matters which seem to me should be laid before you, ultimately to receive the stamp of your wise decision, whatever it may be.

Since the last meeting of this Association there has occurred the death of John B. Edwards, President of the Board of Trustees of the Oswego County Savings Bank. He was a prominent citizen of Oswego, having settled in that city in the year 1824. He held various positions of trust, and rightly earned the confidence and respect of the entire community in which he lived. He was a man of

ability, honesty, and integrity, earnestly devoted to the welfare of the Savings Bank of which he was the honored President up to last year, when declining health led him to retire from the office he had for so long a time ably filled.

In 1895, at the time of his resignation, the Board of Trustees of that bank passed a series of resolutions, one of which it is well to refer to here, as indicative of the character of the man.

"*Resolved*, That during all these years (21 in number) we have ever found Mr. Edwards faithful to all his duties, keeping careful watch over the business and interests of the bank, solicitous for its high financial standing and good name, and faith with all of its depositors and the public, and ever vigilant and progressive in all his duties in relation to the bank, and striving continually to build up a strong, conservative, and progressive financial institution in our midst."

In his death, gentlemen, this Association has lost a firm friend and wise counsellor, and we, with his associates and fellow-citizens, appreciate the man and share the sense of loss occasioned by his death.

This Association may have lost during the past year other men whose names stood equally high with that of Mr. Edwards, but men, perhaps, not known to us, but who, as officers and trustees, ever took as warm an interest and proved as faithful to their duties as John B. Edwards. If I have failed to mention them by name it is because, being strangers to me, I have not been made aware of their character and their worth.

And now, gentlemen, thanking you for the patience with which you have listened to what I have had to say, and expressing anew my loyalty to this Association and my gratification upon the success which thus far has crowned our efforts to join hand in hand in furthering, perfecting, and protecting the Savings Bank Law of this State, which I claim, and which is recognized to be the best law of its kind upon the statute books of any State of the Union, we will proceed to the business which lies before us.

Mr. McMahon, in accordance with the sentiment expressed by the President, in his address to the Association in reference to sound money, offered the following resolution:

Resolved, That this Association, representing the interests of 1,700,000 depositors, with deposits aggregating over $700,000,000, solemnly protests against any and all efforts to change the gold standard now existing for the currency of the country, and affirms its conviction that any departure from this standard will not only impair the prosperity of the laboring classes, but that the only classes or individuals to be benefited would be the capitalist and foreign investor, who would be quick to take advantage of the rise and ultimate fall in prices sure to follow a premium on gold.

Resolved, That, in our judgment, the future prosperity of the country and the welfare of the people demand not only that the gold standard shall be maintained, but the currency system now in use shall be so changed and remodeled as to meet and adapt it to the increasing needs of commerce, and equal in security and credit with the best in circulation by any of the civilized nations of the earth.

Resolved, That certified copies of these resolutions be sent to the President, to each member of Congress, to the Governor of this State, and generally to the press throughout the country.

Mr. J. P. Townsend said: I would like to second Mr. McMahon's resolutions. It seems to me a very important matter that the currency of this country should be of the best. That the interests of the large number of Savings Bank depositors, not only of this State but in all States where they exist, would be affected detrimentally by a change of currency. The silver standard or free coinage law, as we understand it, allows the owners of fifty-one cents' worth of silver to take it to the mint and have it coined into legal tender for one hundred cents. We all

know what effect a derangement of the currency had upon Savings Banks at the beginning of the war. We all know that the people came, when they found they could not get gold for their deposits and had to take paper, and demanded their gold; and that there was a great commotion and a run on the banks. There is nothing so sensitive as capital; there is nothing so sensitive as a Savings Bank depositor. As soon as it is understood that he is to receive his deposits in depreciated currency, he will very soon come and draw his money out through fear, and that fear will lead him to go into unwise things; and the effect of all lessons he has been taught since the organization of the system, now some eighty years, will be damaged if not destroyed. I therefore very heartily second these resolutions. The resolutions were adopted unanimously.

MORE OBJECTIONABLE BILLS KILLED

The bills introduced in the Legislature at its previous session included these:

By Mr. Myers: Requiring all Savings Banks and Savings Institutions to notify *annually* each depositor thereof, by mail, of all balances standing to the credit of such depositor.

A bill introduced in both Houses amending the Banking Law, the effect of which would be to vacate the offices of all trustees of Savings Banks who were not residents of the cities where said banks were located.

A bill amending an act in relation to loans upon bonds and mortgages, the purport of which amendment was to permit loans of Savings Banks upon bonds and mortgages on real estate to the extent of eighty-five per cent. of the whole amount of their deposits.

All these bills were deemed highly objectionable, and the President and four other members of the Executive Committee went to Albany and presented objections and arguments against their passage.

Mr. Kilburn, Superintendent of the Banking Department, also appeared before the Committee on Banks at the same time and sustained the objections made, with a clear and forcible argument, and the delegation left with a strong impression that the bills would not be approved by the Committee having them in charge.

Other bills were introduced which the Executive Committee did not deem it necessary to act upon as a Committee; individually, some objections were made, and it was thought that none of them would be passed.

The attention of the Committee was drawn by one of the members of the Association to a condition of the Savings Banks as left by recent legislation, and it was found upon a careful examination that the existing law left no provision for increasing or diminishing the membership of trustees of Savings Banks, in view of which it was deemed desirable to obtain legislation to remedy this defect. Accordingly a bill therefor was prepared and introduced, and was passed.

The Committee, after due consideration: *Resolved*, That it was very desirable and important that stocks and (or) bonds issued by municipalities, and that are legal investments of Savings Banks, should be certified to by a responsible trust company or other properly authorized corporation as being legally issued, and the loan represented by the certificate described thereon.

Copies were printed and sent to officials throughout the State.

J. P. Townsend, President of the Bowery Savings Bank, offered this resolution:

Resolved, That in the opinion of the Executive Committee of the Savings Banks Association of the State of New York, it is desirable, in regard to the stocks and bonds issued by municipalities in which by law any part of the funds of the Savings Banks of the State may be invested, that each certificate and bond should be attested after examination by a responsible trust company or other properly authorized corporation, and certified as part of a

total issue of a described loan which was duly authorized and is in all respects legally issued.

This resolution was adopted.

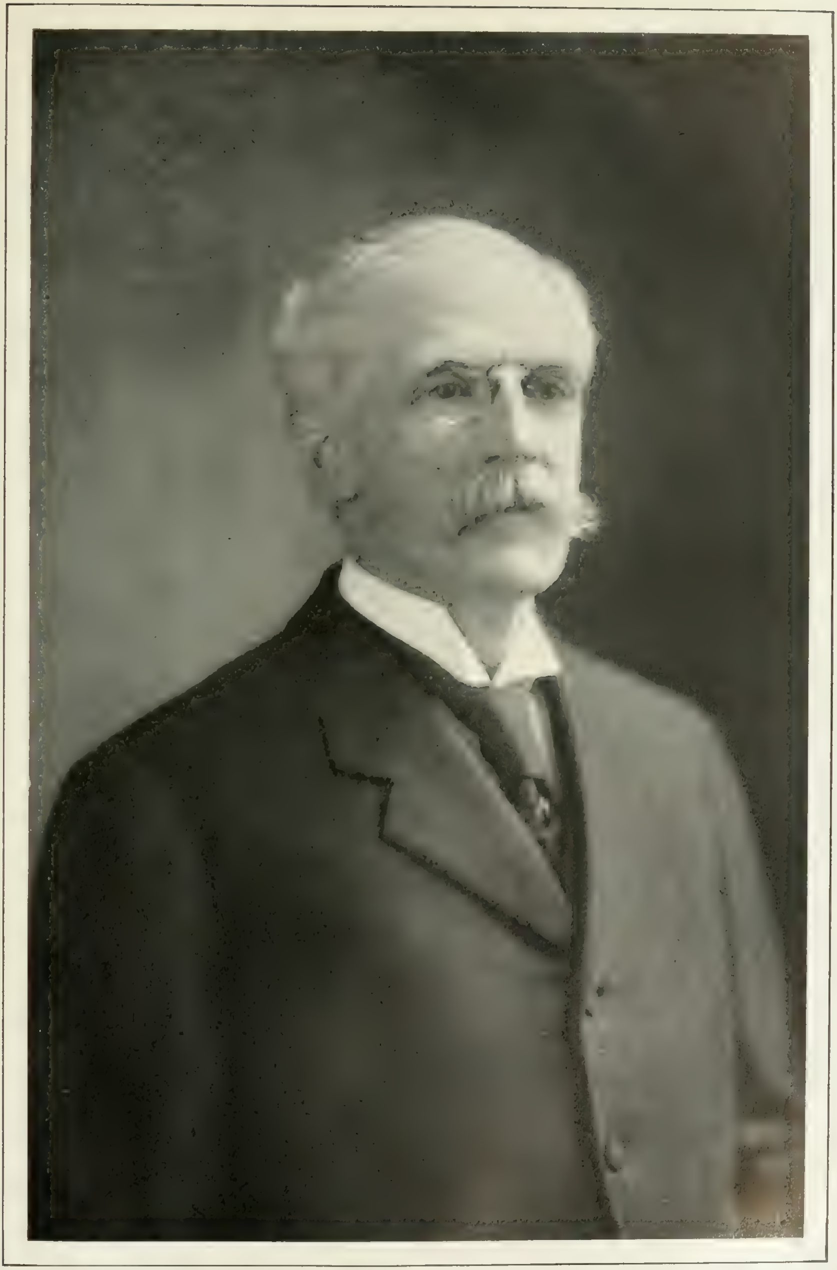
ADDRESS OF HON. F. D. KILBURN

F. D. Kilburn, Superintendent of the State Banking Department, addressed the Convention as follows:

Mr. President and Gentlemen: I did not suppose when I came into the room that I should be called upon to say anything to you to-day, and I do not understand that it is in accordance with the program which has been made up for this occasion. I came here for the purpose of learning something, and not because I thought for a moment that I could tell you anything. I am glad to come here to-day for the purpose of learning more than I could perhaps otherwise about the Savings Banks of the State and the Savings Banks Association. I have listened with a great deal of interest to the address of your President, and to the report of the Chairman of your Executive Committee, and I heartily endorse everything that they say, except, of course, that which they have said in reference to myself. I agree entirely in the views they express with regard to the necessity of this Association paying strict attention to all laws which are introduced into our Legislature affecting Savings Banks. There is a great misconception on the part of many people in the State, including some legislators, as to the exact functions and powers and duties of Savings Banks. Why, I have had such questions asked me, and I presume it comes within the experience of all of you: "Who owns the surplus in a Savings Bank?" It is the popular idea, or at least the idea with a great many, that the officers or those in charge of the bank, or the trustees of the bank, own the surplus and have the absolute disposition of it. I have been told, too, that the buildings some of the Savings Banks have built have been built or brought from the dormant ac-

counts in the Savings Banks, that they have been appropriated for that purpose. All sorts of notions prevail with a great many people of the State. This accounts perhaps for some of the bills which are introduced in the Legislature. I wish to assure you, gentlemen, that I believe both the houses of the Legislature this year had good Banking Committees. I believe that the experience of your Executive Committee before these Committees will substantiate this statement. Some of the members perhaps of the Committees did not view the subjects before them relating to Savings Banks in exactly the proper light, but the majority of both Committees took a reasonable and sensible view of the bills which were introduced, and finally the view taken by your Executive Committee. I believe that no bill succeeded in passing the Legislature this year which any of you would consider as detrimental to the interest of the Savings Banks.

A Savings Bank cannot, it seems to me, practise too much conservatism. Conservatism is out of place in regard to some things, but that statement does not apply to Savings Banks. You have in your custody the keeping of the people's money, the common people's money, if you will; the working people; the people who try to save from their wages and from their earnings. It seems to me that it goes without saying that you cannot be too careful; that you cannot exercise too much care or too much conservatism with regard to the investment of these funds. I do not believe there are any financial institutions in this country so conservative as the Savings Banks of the State of New York. To be sure you are guided and controlled by laws, which it has been well said are wise laws; the best perhaps existing in this country in reference to Savings Banks. You cannot invest your money outside of the way which these laws say you may; and the laws should restrict you with regard to your investments. If, for instance, the bill had passed which sought to add Kansas City to the list of cities in this country in whose securities you might invest, while the people here in the City of New



ANDREW MILLS

PRESIDENT, 1900-01
TREASURER, 1894-99

York, or perhaps in some other parts of the State of New York, would not have taken advantage of that law and invested in such security, there would be people somewhere in the State attracted perhaps by the higher rate of interest who would invest in such security, and who might thereafter be sorry for having done so. So I say that the utmost conservatism should not only be practised with reference to the laws passed by our Legislature, but by every officer who has any control of Savings Banks in this State in reference to the investments made by you of the money in your charge.

I wish to congratulate you, gentlemen, upon the condition of the Savings Banks of this State. I do not pretend to know all about you. I do not pretend to know half, perhaps, about you. But I have undertaken to ascertain enough about you to be able to state that I believe that no safer financial institutions exist in this country than the Savings Banks of the State of New York.

Report was made of the decision of the United States Supreme Court, holding that deposits of Savings Banks with National Banks (the Elmira Savings Bank case) could not be made preferred debts.

MR. RAINEY'S SERVICES RECOGNIZED

The following, offered by Mr. Andrew Mills, and seconded by Mr. J. B. Curry, was unanimously adopted:

Resolved, That in accordance with the report of the Executive Committee, the thanks of this Association be and hereby are tendered to Mr. Samuel R. Rainey, Treasurer of the Hudson City Savings Institution, for the valuable services rendered by him to this Association.

Mr. Mills, in offering the resolution at the request of the Chairman of the Executive Committee, said: I do it with great personal pleasure. There is no man in this Associa-

tion from the President down that has done more real hard work for the defeat of vicious legislation during the last session of the Legislature than that done by Mr. Rainey. It did not make any difference what time it was when he was called upon, nor what the duty was, he did it cheerfully and very effectively. I think that our friends here should recognize it not merely in the formal passage of a resolution, but by this statement which I make, which is prompted by a desire that the efforts of a worthy man should be fully appreciated.

The President said: Your President takes great pleasure in endorsing this resolution and what Mr. Mills has said, for I, perhaps, of all others, know the work Mr. Rainey has done for this Association during the past winter at Albany. He has been indefatigable in his efforts; not only has he attended meetings of Committees, but he has gone to individual members of the Legislature. He has used persuasion and argument, and given them information which they never could or would have obtained in any other way or from any other source. I do really feel that Mr. Rainey has done us invaluable service since the last meeting of this Association. Therefore it gives me great pleasure to put this resolution. All those in favor of the resolution will say aye—contrary, no. Carried unanimously.

ADDRESS OF J. P. TOWNSEND

Mr. J. P. Townsend, President of the Bowery Savings Bank, New York, made the following address:

Savings Banks are established to care for and invest savings of those who have no knowledge of the value of securities and no place of safety for their funds which may be returned to them practically on demand, with whatever interest can be earned by good management from investments of the first class. This system tends to education in good citizenship, and it is worthy of remark that

no efforts to aid the poor ever met with lasting success unless they contemplated some form of education; by it the wage-earner learns that his surplus, no matter how small, but which by itself could earn nothing, can, when added to that of others, be made to gain a fair dividend. This inculcates habits of thrift and encourages him to continue to save, and when a sufficient sum has been accumulated he may be aided by a mortgage loan to buy a home for himself, or he may use his savings to establish himself in business.

For the purpose of this discussion, mankind may be divided into two classes: the employer and the employed. Formerly the first were supposed to possess all the accumulated results of labor left over after providing for needed wants; but by means of the Savings Banks, the latter have become capitalists, and they belong to the class of people that can be considered creditors. Individually, they have no credit, except for weekly supplies, which they liquidate when their wages or salaries are paid; but when aggregated, the four million and a half, about, of depositors, with their $1,578,000,000 deposits of money capital, belong to the capital class who loan money to the rich on bond and mortgage, invest in United States and State stocks and bonds, and stocks of municipalities; they loan money to erect factories, churches, clubhouses, commercial buildings, dwellings, etc., on which they take first liens after the tax gatherer. If a local improvement is projected, if docks or schoolhouses are to be built, or streets paved, they advance money to the municipalities to pay for them. If their government (State or Federal) negotiates a loan, Savings Banks are among the largest investors. Theirs is a coöperative union of the industrial classes. Their capital ministers to public enterprises, which demand laborers for their prosecution and completion, which thus returns to labor in the form of wages what they have borrowed from it in the form of capital. A laborer gets better wages on account of the facility with which, through Savings Banks, that capital has been procured, which is

equivalent to having their capital returned to them in full in the form of wages, while at the same time they hold in their pass-books the original certificate which entitles them to have it again returned with ordinary dividends called interest. What other capitalist is able to make so safe and at the same time so profitable an investment of his money? Trades unions are formed as combinations of labor against capital; but here is a combination of labor and capital. The former seeks to control the price of labor by arbitrary dictation. The latter advances its price by the operation of natural laws. The former assists the employed to create a fund which offers a premium to idleness by contributing to the support of labor while on a strike. The fund of the latter promotes industry by its contributions to the channels of enterprise which require labor for their prosecution.

Because Savings Banks hold these millions of money securely, because they aid those who try to help themselves, because they are giving assistance to thousands of men in business, or owning houses partly paid for, because the system has been perfected by experience and legislation, because it is rooted in the foundations which make for the material and moral interests of the people, the Savings Banks system deserves the support and demands the sympathetic attention of every class who are interested in promoting the public welfare and of doing the greatest good to the greatest number. These intentions are sometimes interfered with if people quite as capable as trustees use the banks solely for the sake of obtaining a higher rate of interest than can be obtained elsewhere, and who usually draw their larger deposits in times of distress and panic for the purpose of buying stocks and bonds that are selling below their value. Such large drafts force the banks to make sacrifices to supply this extra demand. This use of the banks for that purpose is not to be encouraged, and that the only way to discriminate between proper and improper persons as a rule is to refuse large deposits. Exceptions should of course be made in the case of life

insurance money which has been paid to a widow, or the sudden possession of a legacy or fund by a person who handles for the first time a thousand dollars or so of his own.

Again, on account of the higher rate of interest which Savings Banks pay moneys which were formerly deposited in trust companies, no doubt come to them, and solely for that reason which overburdens the Savings Banks with money and tends to reduce their income for the reason that they are obliged to purchase securities which pay them but three and one quarter to three and a half per cent. on the money invested.

The currency question may not be a burning one in the minds of depositors, but many of them think of it and often ask questions about gold if they want it; occasionally one does not demand it, as if he were quite anxious to take it when it could be got without question. It therefore behooves trustees and managers to be as explicit and aggressive in announcing their views to conventions and as citizens in favor of a single gold standard, having in mind always that no needless anxiety should be shown which might cause a demand for gold that it is impossible to supply and which cannot be lawfully required; but having also in view the necessity for a uniform currency that shall always be the equivalent of the best in use of the commercial world. A contraction of the currency which would ensue if the owners of silver bullion were allowed to take fifty-one cents of it to the mint and have it coined into standard legal tender dollars at a valuation of one hundred cents would cause such contraction to the extent of $620,000,000 by putting a premium on the gold now in the hands of banks and the people.

The argument that we do not use gold in our daily transaction is fallacious when it is well known that the currency we use has a basis of gold, which metal can now be had when it is required.

The deposits in Savings Banks are believed by depositors to be secure because of the credit and faith reposed in

them; but if this credit is shaken by a free coinage law these deposits would be overdrawn to a great extent before the premium on gold had advanced very largely.

It is a good idea to print a monthly statement for distribution among depositors of all investments of the bank, which may be done by placing them in the racks marked "Take one," which we find is complied with to a very great extent. All depositors may not do it, but the inquiring one always does, the one who "wants to know, you know," and who would ask questions if he were not forestalled, a number of these inquirers tends to increase, and many show the statement to friends and boast of the good qualities of "my bank." It is surprising how their interest is increased when pains are taken to excite it, and what good missionaries they become in inducing others to open bank accounts.

Another suggestion: The uses and benefits of Savings Banks might be made known also by the circulation of leaflets. I venture to give you a sample of two or three, viz.: An abstract of a curious account showing unexpectedly good results on a long-forgotten balance.

In 1835 an account was opened in this bank by a deposit of $5, further deposits were made up to April, 1849, when the total amount was $705. At various other times between 1835 and 1850, $253.89 was withdrawn leaving a balance (*with* accumulated dividends of $47.89) of $499. From 1853 to 1855, $500 was withdrawn, but when the last draft was made the depositor appeared to be overdrawn to the extent of $1, which may have caused him to lose his regard for the account, but he had overlooked the fact that there was due him at that time dividend amounting to $100.01 which had not been entered in his pass-book, and the bank really owed him a net balance of $99.01.

This balance went on accumulating dividends for twenty years until 1875, when it became a dormant account and ceased to draw interest, the amount then due him was $343.25. Efforts were made from time to time to dis-

cover the owner of the account but without success until 1889, when he was found a very old man unable to work and living on the bounty of his children, totally unaware of the snug sum due him by the bank. This balance of $343.25 was paid to him in November of that year to his great delight and satisfaction. An abstract of an account now open showing remarkable results:

In 1866 a depositor opened an account and made deposits from time to time up to 1879 which amounted in all to $1,550; at various other times, from 1875 to 1894, $1,358.06 was withdrawn, showing that the depositor had taken out all the money he had deposited except $191.94; still on the 1st of July, 1894, the dividends which the deposits had earned $2,808.06, and the amount due by the bank on that date was the handsome sum of $3,000, which will continue to earn further dividends if it remains in the bank.

An abstract of an account showing the profits and deposits which had remained in the bank less than seventeen years:

In March, 1878, an account was opened in this bank by deposits amounting to $500. On the 1st of January, 1895, they had earned dividends amounting to $495.92, so that the bank at that time and now owes the depositor $995.92, showing that the amount due the depositor had nearly doubled in seventeen years.

The income on bonds and stocks we are permitted to buy tends to decrease, the credit of the various commonwealths is so high and the amount of their indebtedness so limited that new investments in them are almost nil. The amount of investment in bonds and mortgages is limited by law and we are obliged to buy municipal obligations. Those of twenty-eight provincial cities have been added to our list in recent years by action of the Legislature; this fact is well known to dealers in this kind of securities who make so much money out of Savings Banks that their number has increased. They bid for and obtain most of the loans offered, and thus taking advantage of our en-

larged field by holding and selling them for a profit which reduces the returns to us when we buy. If you look over the list you will find that the net interest we can receive on the best of these is from three and a quarter to three and a half per cent., but if you look at another list containing the names of prohibited towns you will find a difference in favor of their purchase of from one quarter to one half per cent. on the returns. The higher price which we are obliged to pay is in part our own fault; but it would seem that we are in a position to remedy it in a measure.

Let me venture this statement: Investments in municipal securities made by Savings Banks of the State of New York should pay at least say three and a half per cent. Suppose we decided on this figure and when new loans are advertised by municipalities let us make our bids either through our own Executive Committee and through some intelligent and responsible banking house recommended by it who would act for us for one eighth per cent. commission on the par of bonds and authorize them after sending us all the particulars of the proposed loan to bid for each of the banks that cared to invest in them. This committee or firm would then make bids at one price, naming his principal which would reduce the number of Savings Banks applicants by 126. This arrangement would speedily be known; and when it was understood that the Savings Banks of the State of New York had no intention of competing with each other, it would doubtless have the effect of increasing our income.

THE ADVANTAGES TO SAVINGS BANKS OF CONCERTED ACTION IN THE PURCHASE OF MUNICIPAL BONDS

Mr. Andrew Mills addressed the Convention as follows:

In presenting my views on this subject to my fellow-officers for their consideration, it is with the firm conviction of its increasing importance, and the belief that if the

remedy suggested is carried out great benefit will accrue to the banks.

As the case now stands, we are forced to pay large profits to, in many cases, irresponsible dealers who act simply as middlemen where no middlemen are needed. In other words, the dealers are making a large amount of money each year out of the banks by forcing them—the banks—to pay just so much more for their investments than they otherwise would.

In order to bring this matter clearly before us, let us suppose a case. A city advertises for bids for $2,000,000 bonds. Notice of the fact is sent far and wide, as it should be. The dealers immediately get together, form a syndicate, agree upon a price, and put in a bid for the "whole or none." The Savings Banks, on the other hand, each for itself, bid for such portion of the issue as they may want, at such a price as in the opinion of its officers will yield a fair return on the investment.

The bids are opened, and in the great majority of cases the bonds are awarded to the syndicate, who immediately fix a price from one half per cent. to two and one half per cent. in advance of that paid, and kindly allow the banks to buy at the increased price, thereby pocketing a handsome profit for simply preventing the banks from getting the investment on fair terms.

Another way of accomplishing the same object is as follows: A city or county advertises to sell certain bonds at public auction. The bond dealers are on hand bright and early, form a "pool," so-called, fix a price, and one of their number bids for the pool. In many cases this price is higher than the officers of the local banks desire to pay, and the dealer gets the bonds. If the issue is a large one, the bonds are divided pro rata; on the other hand, if it is a small amount, the bonds are auctioned off to the member of the pool making the highest bid, and the profits over the price paid the city are proportionately divided. The bonds are eventually disposed of to the same Savings Bank in another locality at a still further advance in price.

If it so happens that the bonds cannot be marketed at once, there are plenty of institutions, and among them Savings Banks, who will loan the funds necessary to carry them, thus supplying the capital which the dealer may lack.

By this system you can readily see how easy it is to make money with comparatively no risk, and how great the inducement for concerns with little or no capital to go in the business.

As a matter of fact, within the last five years the number of these dealers has increased fivefold. That there is a legitimate province for the bond dealer or broker goes without saying, but it is not to antagonize the interests of Savings Banks, as many of them are now doing.

Such is the evil; what is the remedy? My answer is concerted action on the part of the Savings Banks.

I am firmly convinced that those banks desirous of bidding on any proposed issue should consult with each other beforehand, and arrive at a price to be paid, fair alike to seller and buyer, and whether successful in their bid or not, let that be their price for those bonds. In making their bid for bonds, the brokers are not governed so much by demand and supply as they are by the price paid for the last similar issue, almost invariably advancing the figure slightly so as to be more certain of success.

In conversation with a number of dealers, I have remonstrated with them for continually advancing prices and invariably received the reply: "The banks buy the bonds eventually at the advanced price." Suppose the banks did not buy at the advanced price, what then?

I would not for a moment be understood as advocating a combination for the purpose of forcing prices to an unnatural level, but simply concerted action on the part of the banks to obtain a fair return on their investments, thus enabling them in turn to pay their depositors a fair interest.

The remedy is in our hands. As I have said, we are the market, and if we simply put aside all feeling of rivalry

and act in concert, the cure of the evil will not be long delayed. We represent more than 1,600,000 depositors, fully one quarter of the population of this State, and it is our duty to study their interests above all else, and, in my judgment, by concerted action in the purchase of municipal bonds the banks would save large amounts of money each year. Is it not our duty so to do?

MAXIMUM ACCOUNTS

On the subject of maximum accounts, Mr. C. E. Sprague said:

I wish to say that I think our present limitation of $3,000 as the maximum that a man can have in a Savings Bank is all wrong; not that I do not want a limitation, that I do not want a discrimination, but it is based on the wrong principle. What distinguishes a Savings Bank depositor and a capitalist who wants temporarily to use the facilities of a Savings Bank for purposes which he ought to accomplish otherwise is the gradual nature of the deposits. If a man deposits $10 a week, he is a Savings Bank depositor. I take that merely as an illustration, a reasonable sum that he is gradually depositing, then he is the kind of man who is saving and accumulating. But to say that if two persons come and offer, one of them $2,990 and the other $3,010 all in a lump, that one of these men, the $2,990 man, is a genuine Savings Bank depositor, and the $3,010 man is a capitalist, seems to me absolute nonsense. This limit ought not to be a limit of maximum, but ought to be a limit of time. There is a rule in the Savings Banks of Maryland, I think, limiting the amount that can be put in during a given period. A man from a Utah bank told me their limitation was not more than $50 in any month from any man; but when he gets $3,000 they do not say to him: "You are now capable, by having $3,000, of investing this money yourself, you have acquired financial wisdom, and we will take no more." He can go on until he has $10,000. Perhaps he is a common laborer

who can spare $10 a week. When he has reached $3,000 he is no more able to invest it in real estate or in bonds than when he began, and they let him go on. It is a time limit, and not an absolute limit. But that a man can come in and call himself a Savings Bank depositor when he hands out three $1,000 bills is absurd. But we take it because we cannot bother to inquire into the motives. The rule is $3,000 and we will take $3,000. I do not want to have the limit any lower, I do not want to have it any higher, but I want to have it a limit as to time. Let the law say that he can put in $50 a month. Let the law say another thing, and this would be a great makeweight against rapid withdrawals such as we had in 1893; if a man has been depositing for a number of years $50 a month and gets together $3,000 or $4,000, and if in a flurry like that of 1893, because he can buy stocks cheap or for some other reason, he draws out $2,000 as quick as he can, and he spends it in some way, when he returns he has to begin over again, he has got to give to the bank a deposit of $50 a month and gradually work up; and then he will say: "I am not going to run the chance of letting this lay idle, I will not take it out, this is earning good interest." I think under such rules we would find withdrawals very much less capricious than now, and the question of large depositors would be largely obviated, and it would be more equitable than now. I have tried the double rate, and we do not like it. We prefer to pay one rate to all, because the tendency is to split the account. We have an enormous number of accounts of $1,000, and they draw $20 every six months.

CHAPTER IV

Fourth Annual Convention—Perils of Repudiation and Inflation Escaped—Danger in too Rapid Increase of Municipal Debts—Bonds Authorized for Greater New York—The Taxation of Savings Bank Deposits—Notable Addresses by Superintendent Kilburn, ex-Comptroller of the Currency Wm. L. Trenholm, and Hon. Edward Atkinson, of Boston.

THE Fourth Annual Convention of the Association was held on Thursday, May 20, 1897, with sixty-five banks represented.

President John Harsen Rhoades made a notable address on this occasion, which is given in full herewith:

ADDRESS OF PRESIDENT JOHN HARSEN RHOADES

Gentlemen: In giving you welcome to this, the fourth anniversary of this Association, I feel that I can congratulate you, and through you the depositors in the banks, that the country has, for the time being, escaped the peril of repudiation and the losses that repudiation would bring to the working classes in this State and throughout the entire country. Never since Savings Banks were established, and, indeed, never since the Republic was founded, have such grave disasters been threatened to the material industries of the country as were threatened during the year which has just closed. In the past pestilence has brought its fears and its sorrows, both to pass away speedily—its ravages prevented and its liability to recurrence lessened through the enforcement of hygienic law. In the past war has brought its blight and its horrors, but through its influence and by its dread power it has purified the people, ennobled the race, and hammered the loose ele-

ments of federation into a solid, strong, and great nation. But the seeds of repudiation, once fairly fastened upon the body politic, can have no other end than the sapping of the vitality of the people, the destruction of their honor, the rottening of every column upon which the fair structure of our liberty is built, and the ultimate destruction of the Republic itself.

No wonder, then, that those to whom is entrusted the care of eight hundred millions of the money of the thrifty working classes stood appalled before the disaster which threatened so grave and threw into the contest all the influence they possessed to help avert the blow. Even to-day the clouds are threatening and the danger is not past, nor will it pass until those who hold the reins of government have remodeled the whole monetary and banking system of this country and placed a law upon the statute books which will make the currency of the country equal to the best in the world and exchangeable at all times on a parity with the best in the world.

We hear much in these latter days about trusting in Providence and that He, who is the Divine Ruler of all nations, will take and keep this great Republic from ultimate harm and loss. I have a profound faith in the Deity who rules the universe, but I have also a profound faith in the great natural laws which He has created for the government of the world, and I do not believe that He will change these great natural laws to please His people. If we, as a nation, are determined to violate His laws, and allow corruption and greed and selfishness to rule in our Legislatures and at the seat of our Government; if we break the great moral law: "Thou shalt not steal," and disobey all the laws of good government which the experiences of civilization have shown to be the best for the development of a people; if honor and honesty are to be replaced with dishonor and dishonesty—then we must suffer the consequences, and this country will be dragged through the very depth of disaster—even to the borderline of revolution—until, by bitter experience, it has

learned that the great moral laws of the universe cannot be disobeyed without that punishment which will fall alike upon the innocent and the guilty.

But, gentlemen, you and I saw, during the anxious months which preceded the election of 1896, a faith and a constancy on the part of the working classes, who largely make up our depositors, that we could not but admire and strive to imitate. Honest themselves, they would not believe that the majority of the people in this country were dishonest, and so they rightly retained confidence in our banks, refused to withdraw their deposits, and stood loyally by the institutions who had been and were striving to protect them.

Truly, and with a wisdom far reaching into the minds of the people, did the immortal Lincoln frame that rude and homely phrase, "You cannot fool all the people all the time," and so to-day, as we stand here, striving to search the future which still looks so dark, I bid you to trust the people and to have faith that they will find the way to lead the nation forward and onward to brighter days of prosperity, with foundations strengthened and laws in force and being enacted upon which we shall rise purified as a nation into a nobler life and a more beneficent existence.

Your Executive Committee, in its annual report, will give you the details of the work done by this Organization during the past year, and refer to such subjects as they deem of interest to you and the depositors in our banks.

Much has been and is being said throughout the country about Postal Savings Banks.

A short time ago I had the honor of attending the Monetary Convention at Indianapolis and of presenting to that Convention the needs of a change in our currency and banking laws and the importance of the maintenance of the Gold Standard, as viewed from the standpoint of the Savings Banks of this State. In doing so, I explained fully the nature of the Savings Banks laws existing in this and the Eastern States, and told of the large sums here deposited in the banks, urging that the Savings Bank law

in operation in the State of New York should be extended in all the larger cities in each State in the Union, or let it be remembered that the large proportion of the so-called Savings Banks of the West are not eleemosynary in their character, but simply adjuncts to private banking houses, generally governed by limited State laws as to the class of investments allowed for such deposits, and nothing more.

It was gratifying to find that the explanation given, while creating surprise, at the same time created much interest on the part of those who heard what I had to say, and, to a certain extent, that interest has found outward expression in the press of the country in certain sections. This knowledge has led me to know how widely the subject of Postal Savings Banks has been and is being discussed through the West and South.

Now we know that the Savings Bank officers of this and the Eastern States have no prejudice against and no dislike *per se* to a Postal Savings Bank system conducted by the Government, and, realizing as we do that our work is charitable in its nature, we would gladly welcome any and all systems, wisely founded, which would lead to an increase of thrift on the part of the people; but in all of the editorials I have read (and I have read many), and in all the arguments made in favor of the Postal Savings Bank System which I have seen, I have never found one that has intelligently and satisfactorily answered this question: "What will the Government do with, and how will they invest and keep safely invested, the millions of dollars which must come into their hands through a Postal Savings Bank Law?"

The existing debt of the United States has already been absorbed by the people, and is not available for investment purposes on the part of the Government.

The intention and the will of the people is undoubtedly to gradually reduce its Government debt; therefore, "barring a war," there is no probability of a large increase or the permanent maintenance of a Government debt on the part of the United States.

The experience of the Freedman's Savings Bank in Washington, which was supposed to be in part under Government control, and which failed miserably with great loss to the poor blacks who entrusted their savings to its care, is one evidence of danger in connection with giving the Government control of the Postal Savings Bank system.

The tendency to spend the moneys so received, which in time would run up into the hundreds of millions of dollars, would lead to gross extravagance on the part of Congress.

Under our form of Government, notwithstanding the success which has attended the introduction of such a system in England and elsewhere on the continent of Europe, it does seem to me that the dangers are very great, and that the question, "How shall the Government invest these moneys so received?" still remains unanswered, and is practically, at the present time, unanswerable.

A few weeks ago Postmaster-General Gary spoke as follows: "And I hope to be able to get legislation through Congress to that effect. Such banks might be founded in connection with a two per cent. bond issued by the Government, and might result in these bonds being held by the people in every part of the country. They would give a foundation for the establishing of national banks everywhere, and they would bind our people together. Every man that held a bond would be a patriot. There would be no more borrowing money from England, and there would be millions who would save who are not saving now. I don't believe in the fear many people have of a national debt, and I think in many respects General Butler was right when he said that 'a public debt was a national blessing.'"

It can be readily seen that the system suggested by the honorable gentleman is entirely at variance with the Postal Savings Bank system of England and elsewhere, and, as stated by him, needs elaboration to be fully understood.

What does he mean by Postal Savings Banks being established, when the Government is the bank, and how would these bonds be held by the people in every part of the country, and how would the Postal Savings Banks aid in giving a foundation for the establishment of national banks everywhere?

It was well said in one editorial which came under my observation that, "What can be done under a monarchical system, successfully, cannot always be done successfully under a republican form of government"; and it must not be forgotten that the population of England and France is crowded within a narrow area, has long been accustomed to the control of a strong centralized government, which, experience has proven, through all and every change of party control has remained steadfast in its determination to protect its credit and honorably discharge its obligations; and this has engendered confidence on the part of the people and led to free deposits of savings.

Viewed in the light of recent events, it is evident that the time has not yet come when in this country the Government should assume the responsibility of caring for the savings of the laboring classes. That the time will come, I have no doubt, when such a system, so pregnant with good to the welfare of the people, may be safely inaugurated and successfully conducted; and when that time arrives no class in the community will welcome such a system more heartily than those who are in charge of the great Savings Bank depositories of the Eastern and Middle States.

I have on previous occasions, and I again call to your serious attention the fact that our Savings Banks are carrying a very large percentage of the municipal debt within the State, in fact over eighty per cent. of such debt is held by our banks, and, in some instances, the entire debt of the smaller towns and villages is so held.

It should not be forgotten that at no distant date the volume of Government and State obligations will be largely

reduced; that in periods of financial depression and panic there are no buyers for the bonds of the smaller municipalities, except the banks themselves; and that the time must come when, unless through increased holdings of securities which have wide and ready sale, the bank will be compelled to carry a much larger percentage of their deposits in cash or its full equivalent.

This is a debt-making era so far as our municipalities are concerned. The banks in this State are carrying one hundred and sixty-four millions of the municipal debt of its cities, towns, counties, and villages. Forty per cent. of the debt of the City of New York, sixty-five per cent. of Brooklyn, seventy per cent. of Long Island City, and ninety per cent. of Kings County is so held, and it is full time that we are aroused to existing tendencies when we see the authorities of a great city like Brooklyn calmly consenting to the creation of four millions of indebtedness on the part of the county officials, which county was embraced within the city of Brooklyn; such increase of indebtedness being created within fifteen days of the termination of the legal existence of the county, so far as its debt-making power was concerned.

To-day the smaller villages and towns now to be absorbed in the Greater New York are rushing to create new and large indebtedness, in amount sufficient to ruin them as they exist at the present time, in order that public improvements far beyond the existing needs of a small population can be carried out and the debt assumed by the city into which they are to be merged; and these bonds are being taken in the hope and expectation of reaping large profits in selling them to the Savings Banks under the delusion that such bonds will be assumed by the Greater New York under its new charter, while the Legislature, in the face of the bill to create a Greater New York, did not hesitate to authorize millions of dollars of expenditures in the general grab made by all the municipalities concerned to increase their debts before the consolidation took place.

If such acts as these are not morally dishonest, they tread closely upon the heels of dishonesty, and it is a marvel to my mind how the authorities of these cities will permit these things to take place before their eyes without an injunction restraining such acts; and they certainly will be neglectful of their duty to the public and the tax-payers if the legality of the volume of the debt so created is not tested by the highest courts before being assumed in the general equalization of debt.

In order that the extent of these proposed and actual increases in the debt of cities and towns embraced under the charter of the Greater New York may be thoroughly understood, I append the following list of such increase or proposed increase of debt, and this is but a beginning:

BONDS SOLD SINCE JANUARY 1, 1897

85,000	—Far Rockaway, L. I.	5s,	Jan. 25
120,000	—Flushing, L. I.	4s,	Jan. 28
618,000	—Queens County	4s,	Mar. 29
45,000	—Arverne-by-the-Sea, L. I.	5s,	Apl. 5
150,000	—Jamaica, L. I.	4s,	Apl. 7
200,000	—Jamaica, L. I.	4s,	Apl. 12
450,000	—Jamaica, L. I.	4s,	Apl. 20
202,000	—Richmond County	4s,	Apl. 14
53,000	—Newtown, L. I.	4s,	Apl. 20
620,000	—Newtown, L. I.	4½s,	Apl. 28
29,500	—Long Island City	4½s,	Apl. 26
80,000	—Brooklyn	3½s,	Apl. 26
70,000	—Richmond Hill, L. I.	4s,	May 1
2,722,500			

BONDS ADVERTISED FOR SALE

15,000	—Corona, L. I.	4s,	May 14
400,000	—Brooklyn	3½s,	May 18

BONDS AUTHORIZED FOR GREATER NEW YORK

NEW YORK

For a garden at Van Cortlandt Park	$ 50,000
To establish a zoölogical garden at Bronx Park	125,000
For the repair of streets and avenues	2,000,000
Providing for a public library in Bryant Park	2,500,000

For an addition to the American Museum of Natural History buildings and its equipment . . .	$ 500,000
For a new Tombs Prison	500,000
Providing for four new high schools	2,500,000
For additional pumping stations and water mains.	500,000
Providing for general park improvements . . .	250,000
For the erection of new common schools and their equipment	10,000,000
Providing for a drawbridge at Third Ave. over the Harlem River	500,000
Jerome Avenue improvements	200,000
For a bridge over the Bronx, between Williamsbridge and Woodlawn stations	150,000
Providing for a bridge over the Bronx at E. 177th St. .	75,000
For the improvement of the Spuyten Duyvil Parkway	150,000
Providing for a new District Court House . . .	50,000
For the completion of Riverside Drive and Park . .	400,000
For a temporary bridge over the Bronx at Westchester Avenue	35,000
Providing for a viaduct over the railroad at Melrose Avenue and 163d St.	300,000
For a bridge over the Harlem Railroad tracks at 153d St.	150,000
For the improvement of Crotona Park . . .	30,000
For an increase in the appropriation for the site for the City College	200,000
Total	$21,165,000

KINGS COUNTY

For the improvement of Wallabout Market property .	$ 70,000
For enlarging and improving the 47th Regiment Armory	250,000
Appropriating for school purposes	500,000
For an armory for Troop C	350,000
For improving Belmont Ave.	96,000
Providing for the repaving of Albany Ave.. . .	37,000
Appropriating for a bronze statue of Gen. Fowler	7,000
For collection and preservation of Brooklyn historical records	30,000
For school purposes in the borough of Brooklyn . .	2,500,000
For beginning work on the proposed public library building	10,000
Authorizing the construction of a public pier in the Eighth Ward	60,000

For improvements in district bounded by Coney Island Ave., Franklin Ave., Bergen Lane, and Foster Ave.	$ 200,000
For two new high school buildings	200,000
Total	$ 4,310,000

QUEENS COUNTY

Authorizing the expenditure by the trustees of Jamaica for macadamizing and improving certain public streets in that village	$ 200,000
Authorizing the village of Flushing to borrow in anticipation of arrears of taxes, not to exceed	35,000
Authorizing Long Island City to provide school accommodations	500,000
Authorizing the completion of improvements on the portions of Grand Ave. and Main St., Long Island City	45,000
Total	$ 780,000

Let us not forget that this municipality is about to become the second, if not the first, city in population in the world. In consequence of this it must take upon itself great and additional financial burdens from the municipalities being merged into and with it. It is sadly in need of improvements within the present confines of the city. More money is needed for schools, for improvements to our streets, for the construction of our municipal buildings, the improvements of our waterfront, for the creation and maintenance of parks for our overcrowded population, for the enlargement of our present municipal departments, and for the creation in future of new departments. Large sums will be required for the improvement of our waterfront and for the building of an underground railroad; and all of this is required and will be demanded by the residents of this city, in order that we may satisfy its present needs and realize the hopes of greatness for the future gigantic metropolis of this country.

These facts need, therefore, our serious attention, as our Savings Banks, representing largely the savings of the working classes, are the largest creditors of the Greater

New York; and it becomes our bounden duty to see to it that the burden of debt shall not be increased unnecessarily and that the city shall avail itself of every opportunity to increase its annual revenue in a fair and honorable manner.

Much has been said, and with great force, of the desirability of having our Government debt held in small amounts by the people at large as conducive to loyalty and as producing a greater and more intelligent interest in the management of the Government itself.

I have often thought that, if the one million seven hundred thousand depositors in the Savings Banks of this State could be made to realize that out of the seven hundred millions deposited over one hundred and sixty-four millions were invested in various municipal securities within the State, and that these depositors were, through us as trustees, not only creditors of these municipalities in which they live, but had vital moneyed interest in such municipalities, they might be aroused to active and intelligent effort to secure a more honest, economical, and efficient administration of public affairs throughout the State; and it seems to me that we should do all we can to educate our depositors into a knowledge of these facts, both for the cause of good government in our midst and for the added security which such knowledge would bring to the cause of good government throughout the land.

But, gentlemen, I have said too much, and have drifted badly in the saying. Perhaps you may glean a few seed from the thrashing which you will deem worthy of thought. If so, I will be the more content that I have served you not so badly after all, but roughly broken the ground, that those, our guests, who follow after me, may find in what rich soil I strove to do my planting.

TAXATION OF SAVINGS BANKS DEPOSITS

In view of the recommendation of the State Board of Tax Commissioners that "a small uniform tax payable by

the banks upon all deposits liable thereto, directly to the Comptroller of the State," be imposed, the Executive Committee deemed it proper to give to the Association its reasons why the recommendation should not be favorably acted upon.

After reminding the delegates that these banks were what their name implied—banks for the accounts of the small savings of the industrious and thrifty—that there were no stockholders to participate in the earnings, as in the banks of discount, and that absolute safety and security were the first considerations, the Committee proceeded to say:

While there are over seven hundred millions of dollars of deposits in the banks of this State, at least five hundred millions of this sum are confined to the banks located in large cities where the rates of interest are low. At the present time the best average return on investments, including bonds and mortgages, State and municipal securities, is three and one half per cent. It has been as low as three and three eighths per cent., and with the general drift toward easy money and large accumulation of capital, the probabilities are that within a few years the average investment return will not exceed three and one quarter per cent.

The whole purpose and object for which Savings Banks were instituted are benevolent ones, to encourage thrift and economy, and it would be unwise and impolitic, and against sound public policy, to raise any part of the revenue of the State by a tax laid upon the savings of the poorer classes, and for these reasons deposits have always been exempt from taxation. There are no reasons, either in justice or in the interest of the State, that can be given to justify the enactment of a measure to tax Savings Banks deposits.

The claim that there are large sums of money deposited

in these banks belonging to the rich and well-to-do is best answered by the fact that the average deposit, due each depositor in the banks of this State, is about $413, and, therefore, the number of such deposits, as are referred to in the report of the Tax Commissioners, must be very small.

The scope of investment securities, in which the Savings Banks are allowed to invest in the Eastern and Middle States, is very much broader than that in this State. In the State of Massachusetts the banks are carrying from fifty to one hundred millions of their deposits in loans upon personal securities, in the shape of corporation notes with two endorsers, and also have the liberty to invest in many directions in municipal and other securities, including railroad bonds and bank stocks, all of which are not allowed in this State. In consequence of this, the average earning power of such banks, so located, is far in excess of that obtainable in the State of New York.

To tax the surplus of Savings Banks would not accomplish anything, even admitting, for sake of the argument, the propriety of so doing, for the reason that, to a large extent, this surplus is specially invested in United States Government and other non-taxable bonds.

The Savings Banks are now carrying over eighty per cent. of the entire municipal debt of the State, and the volume of these investments exceeds $164,000,000. The effect, therefore, of a tax on deposits would force a continued effort on the part of the trustees of the banks to strive to obtain a better rate of interest on securities purchased, the consequence of which would be that the demand for municipal securities within the State would be lessened and the authorities of such municipalities would in all probability be unable to borrow at so low a rate of interest as is now obtainable, and the taxpayer would not be benefited to any appreciable extent through any tax which could be collected through the Savings Banks. The banks of this State have also invested, upon bond mortgage alone, over $344,000,000. The same tendency

to exact higher rates of interest would apply to such loans, and must bear heavily upon the owners of real estate, especially in the farming districts, where it is not always easy to obtain money at low rates of interest.

The difficulty which now surrounds the collection of personal taxes, owing to the impossibility of preventing the removal or changing the character of personal property, has resulted in the personal tax being, in the main, collected only from estates and widows and orphans, who are less able to bear the burden, while the merchant, the banker, and the investor are able, legally, to free themselves from such liability, owing to the ramifications of their business and their ability to so finance their money as not to be liable for such tax; therefore, to add to the gross injustice now existing by taxing the hard-earned savings of the poor, is certainly unwise, unjust, and a grievous wrong. Everything should be done to encourage thrift, and the magnificent results shown through the wise Savings Bank Law now in existence, whereby nearly $800,000,000 of the people's money has been gathered together and invested for the benefit of the people at large, in securities in which the mass of our population, including the depositors themselves, are benefited, is the best evidence obtainable as showing the injustice of laying a tax upon such deposits.

The complaint already referred to, that some moneys may be in the banks which do not properly belong there, may possibly be true; but what can be said of the moneys deposited by the widows and orphans, who have no natural protector and no one with whom they can advise, and who seek the Savings Banks of the State as their trustee, content with a small interest in order that their property may be absolutely safe. Surely the banks are doing no greater charitable work than in the care of these modest sums of money which are received by them, and wherein is the justice that this helpless class in the community should be taxed by a great and rich state?

Under any scheme of taxation which human wisdom can

devise, labor must and will inevitably pay more than its due proportion. Is it wise, politic, or just to impose upon the small accumulations of the laborer the same proportion of taxation that is imposed upon the larger accumulations of capital? A provident, economical system or agency in society, promotive of industry, morality, and wealth, confers specific advantages upon the State, in return for which exemption from taxation is no more than a fair offset.

Financial law, good government, and the experience of all civilized nations point unerringly to the fact that taxes should be raised in simple ways and by methods which do not agitate and disturb the taxpayer or tend to discourage thrift on the part of the people. For a great state, therefore, practically free from debt, the largest in population and the greatest in wealth in the Union, to strive to lessen its light burden of expense through laying a tax upon the thrift of its working classes, in order to catch and punish the few who, in the name of the thrifty poor hold a few dollars in the Savings Banks, would be a strange miscarriage of justice, and put a blot upon the fair name of the State, and show a lamentable ignorance of those great laws of political economy which should govern all States and all communities.

No act on the part of the Legislature could more seriously disturb and offend at least three hundred thousand of our voting population than to attempt to tax the moneys laid by for a rainy day, to ward off poverty when the protecting hand has been withdrawn, or to bury their dead in their hour of sorrow.

On motion, the courtesy of the platform was extended to the guests of the Convention, the Hon. F. D. Kilburn, State Superintendent of Banking, Mr. W. L. Trenholm, former Comptroller of the Currency, and the Hon. Edward Atkinson, the well-known writer and lecturer upon economic subjects.

ADDRESS OF HON. F. D. KILBURN

I wish to thank you for the kindly interest you have taken in me and for the good words that have been said of me. I have had the support of this Association during the year that I have had the honor of being the Superintendent of Banks of this State, and I can say that I have yet to find any proposition coming from a Savings Bank officer that in anywise pointed toward anything that was in the least detrimental to the interests of the depositors of the banks which you represent. (Applause.) A more conservative lot of men do not exist in this State than those who are at the head of the Savings Banks of the State. When we consider that not for the last eighteen years has there been a failure of a Savings Bank in this State, we may somewhat realize the conservative methods that have ruled the Savings Banks under your charge. During that time four banks in order to make themselves solvent have had to scale their assets. I think fifteen per cent. is the maximum amount that has been found necessary to make them solvent. Three of these banks have met the difficulties which they have encountered through connection with other banks doing business in the same rooms, and using the same vault, and officered by the same men. To be sure Savings Banks have made losses more or less, but to no extent that they could not well meet and pay out of their surplus account. When we consider the great amount of money in your charge and the vast number of people who are your depositors, we can have a faint conception of the enormous responsibility which rests upon your shoulders. No other class of men in this State, in my judgment, holds so great a trust as is committed into your hands and with so little question on the part of those interested. Why, the Savings Banks of this State, gentlemen, have come to be known as absolutely safe. Nobody questions the security of a Savings Bank in this State to-day, and in my judgment it is owing principally to two things: first, the character of the men who have

charge of these institutions, and, secondly, the laws which govern the investments of the money that is placed in your charge. Attempts are being made from year to year, as has been reported by your Executive Committee, for the purpose of letting down the bars and making your administration if possible less conservative. Bills are being introduced every year into the Legislature of our State which seem fair—that is, a great many of them have an appearance of fairness on their face. Now the proposition that you shall send to every depositor once a year a notice of the amount standing upon the books of the bank is apparently a fair proposition. At first glance it seems to be in the interest of the depositors, but when you come to analyze it you find that it is not in the interest of the depositors, but rather in the interests of some men who wish to do some law business for depositors, and who are trying to see if they cannot induce the depositors to allow them to collect money from the Savings Banks. I have heard of one or two extreme cases where men have gone to a depositor and told him that they knew where he had some money, and that for a certain percentage, generally a large one of course, they would get it for him. Well, the depositor didn't know where he had any money that he didn't know about. He knew he had some money in a Savings Bank, but he did not think that was the money alluded to, and so he says: "I can't lose anything anyhow, and I will get a certain sum that I did not know I had or was entitled to," and so he is enticed into the scheme; and in several instances such men have entered into a written contract with these fellows, and of course it has simply resulted in it turning out that the money meant was the money which was on deposit in the Savings Bank. Now that is the purpose of this bill which has been introduced in the Legislature for the last several years at least, so as to give the men who are trying to pick up some money in this way an opportunity to do some business in the way I have indicated. I have found, however, that when the ordinary legislator understands the true meaning of a bill, you

have not much difficulty in convincing him to take the right view of it. I think Mr. Rhoades, your President, and Mr. Rainey, of your Executive Committee, will bear me out in the statement that they have found the men in the Legislature, as a rule, very fair and reasonable upon these propositions, and not at all desirous of passing any legislation which would be detrimental to the Savings Banks of this State.

Gentlemen, you have the money of more than one quarter of the people of this State in your custody. You have over seven hundred millions of dollars of the people's money in your possession. It is an enormous responsibility, and I do not believe that the laws of this State should be modified at all. On the contrary, I think if anything is done with the laws that govern the Savings Banks of this State, they should be made, if possible, more stringent than they are.

Gentlemen, I wish to express my gratitude to you, and to your Association as a whole, and to Mr. Rhoades, your President, and to Mr. Rainey, of your Executive Committee, particularly, and to all with whom I have come in official contact, for your kindness and consideration to me on all occasions.

ADDRESS OF HON. WILLIAM L. TRENHOLM

Mr. President and Gentlemen: I feel somewhat diffident in rising, after so flattering an announcement as the one made by your President. I hope he has not raised expectations beyond my power to fulfil. I wrote this paper before I knew what the President was going to say about me. Perhaps I would have worked over it harder and tried to make it better if I had known how complimentary he was going to be, but I came here upon the invitation of your Committee to contribute my mite, if I may say so, toward helping you, gentlemen, or at least toward encouraging you, in what I believe to be a good work that you have in hand, and that is, disseminating among that quarter of the population of this State with

whom you come in contact sound monetary and economic doctrine. It was with that idea that I prepared this paper, and to that end I invite your attention to it.

The most pressing need of the people of the United States to-day is a generally diffused elementary knowledge of economic science.

Every voter should be able to discern the difference between an economic truth and a demagogic fallacy; for, unfortunately, as the poisonous toadstool resembles the succulent mushroom, so does the economics fallacy put on the appearance of truth, insomuch that whole communities are suffering because a majority of their voters have mistaken the toadstools of their political theorists for the mushrooms of the political economists.

Such suffering must continue, and will even extend more widely, until at least a majority of our voters attain sufficient knowledge on the subject to enable them to select as their Senators and Representatives in Congress, and in the State Legislatures, only men qualified to deal understandingly, and, therefore, wisely, with the important economic questions which at present dominate both local and national politics, and which apparently must be settled, ultimately, by the people at the ballot-box.

Some of these questions involve the public utility, perhaps even the future lawfulness, of long-established methods of business and widely accepted principles of commercial dealings; while others affect the scope, and indeed the further existence, of corporations and other associations by means of which men, having common interest and objects, have been accustomed to unite their means and abilities for the more effective protection of those interests and the surer accomplishment of those objects.

The commercial methods and principles, the combinations of effort and of capital that are thus called in question, have heretofore been regarded as the products of a natural and healthy economic evolution. As such they have been accepted by all our people, and we are all de-

pendent upon them in greater or less degree. They have so completely taken possession of every department of industry, of every branch of trade, of all our systems and channels of transportation, of our banking arrangements and internal exchanges, that to disturb them is to provoke an undustrial, financial, and social revolution, co-extensive with the national domain.

It is manifest that when such far-reaching questions once absorb public attention all other issues will be postponed until these are settled; and it is well that this is so, for a speedy settlement is of pressing importance.

It may be expected, therefore, that for many months to come—perhaps for years—the minds of voters will be occupied with these matters; and hence, although truth and right must finally prevail, every man who can enlighten the understandings and guide aright the thoughts of others should do his utmost toward producing a public sentiment that alone can thwart and speedily defeat the agitators who are now so disastrously disturbing the industrial peace of the country.

It seems to me that you, gentlemen, officers of Savings Banks, can do good service by taking part in the discussion of these questions. You enjoy exceptional opportunities for giving object-lessons to great numbers of our fellow-citizens, who are, of all others, the most deeply interested in good economic legislation. You can show to your depositors, on the one hand, and on the other hand to those to whom, on the security of their property, you lend the money of these depositors, how closely related are the interests of lenders and borrowers; how necessary the secure tenure of property is to the very existence of labor-employing industries. A Savings Bank exists only by being both debtor and creditor, especially when, as in this State, it has no capital and consequently no stockholders. Any person of ordinary intelligence can be made to understand that the depositors in such an institution are the capitalists who really own the money it lends to borrowers; and hence, that every such depositor, however small his

deposit may be, should find out, surely, how any proposed legislation touches the interests of capital before he commits himself in favor of it. The creditors of a Savings Bank, its depositors, belong generally to the "masses," its debtors to the "classes" so-called. Is it not well, and will it not be easy, to have this understood? The politicians pretend that the "masses" alone are the debtors, and that all capitalists and creditors belong to the "Classes." Again, a Savings Bank is an agency by means of which its numerous depositors are able to combine their several small capitals into larger masses, thus securing by combination a rate of interest which could not be obtained with equal security if each had to lend out his own capital separately. Here is an object-lesson for those who are being cajoled to their own detriment by the politicians through legislation which makes it a crime for any one to contribute to effecting combinations of capital, which, whatever their design, may result in so vague a thing as "the restraint of trade." Every depositor in a Savings Bank is in danger of being made a criminal by the mere enactment of the anti-trust laws of this enlightened State of New York. If those laws should be strictly interpreted and impartially enforced, who can escape?

No doubt it sometimes occurs that the officers of a given Savings Bank will be able to show practically how the savings of the laborers in a local factory, or other industrial establishment, become combined by deposit in the bank into large sums which are lent by the bank to that very establishment, thereby increasing its facilities and enlarging its laboring force. Here would be an opportunity to impress upon both employers and employed the great truth that organized industry is the solvent which blends harmoniously and indistinguishably the interests of labor and capital. This truth is not self-evident, but it needs but little argument to be proven. Every organized industry in this country is subject to competition with similar organizations both here and abroad, and as long as they compete on equal terms they should all succeed; but any

such industry, wherever situated, will surely fail if it should be burdened more than its competitors. If the masses of our people could be taught to see things as they really are, they would perceive that, when labor and capital make a partnership in New York to compete with a similar partnership between labor and capital in New England, New Jersey, or in Europe, any burden laid upon either labor or capital in any one of these places is a burden upon the partnership, handicapping it in the competition and inflicting a loss that has eventually to be shared between the partners, without regard to which one was primarily subjected to it. Any burden upon capital here places a premium upon capital similarly employed elsewhere; any burden upon labor here benefits labor elsewhere; any burden upon a combination of labor and capital here gives, inevitably, greater profits to similar combinations of labor and capital elsewhere.

Suppose the case is put this way: Capital and labor are the two legs upon which industry walks. No man can favor one of his legs except by fettering the other, and there never yet has been a man with one leg free and a ball and chain on the other who would not be a faster mover and a happier fellow if both legs were free.

From of old until recent years European industry had its labor leg fettered; for about one hundred years American industry has had both legs free, and all the world has been amazed at its strides; but now we are putting fetters on the capital leg, and wonder that industry halts in its pace!

England, where capital has always been unfettered and vested rights secure, struck the fetters from the labor leg of her industries when she abolished the corn laws, and so made bread cheap; and since that day she has had both legs free, and all her people prospered. The interests of capital in England shared in the benefits following the unfettering of labor there, while the magnitude of our Savings Banks deposits is conclusive proof that American labor got its full share of the prosperity that fairly deluged

this country as long as capital was free from the threats and assaults of politicians. "Why," you are entitled to ask your depositors, "why should we not revert to our former estate of unfettered industry, since we have seen how England has been prospering while we have been suffering from industrial paralysis?"

This industrial paralysis, our political wiseacres tell us, is the result of an irrepressible conflict between labor and capital; they pretend that capital has been oppressing labor and that legislation is necessary in order to protect labor from capital. If the magnitude of the deposits in the Savings Banks of this State is the measure of the oppression of labor by capital, the more of that oppression we have the richer will our laborers become.

The truth is, capital cannot oppress labor without detriment to its own interests; and labor cannot oppress capital without like detriment to itself.

Taking the community as a whole, capital and labor are partners, as I have said, and what hurts one hurts both. But, say the politicians, in particular cases the profits of the partnership are not fairly divided—capital exacts too large a share. The answer is: "Leave both capital and labor free to make their own bargains, and trust the result to the operation of those natural economic laws which Divine wisdom has devised to provide for these very cases."

We may well say to those who are trying to nullify great Nature's ordinances by statutes enacted at Albany and Washington: "Look far and wide upon this glorious country of ours, its seventy millions of people well fed, well clad, well housed, its cities, railroads, and steamboats, its factories, mines, forests, and fields, its infinitely varied resources, and its abounding products. Does it not seem beyond comprehension, almost, that all this affluence of wealth and power should have been accumulated during little more than a century of national life?"

A hundred years or so ago the thirteen colonies began their free and independent political existence. Thirteen little seedling communities torn by the rude hand of Rev-

olution from the parent Civilization and thrust bruised and ragged as they were into the soil of an unexplored continent.

Three millions of people in all, scattered along more than a thousand miles of coast, with three thousand miles of sea in their front, and a still greater expanse of primeval forest at their back.

A hundred years ago there was not anywhere on the continent of North America a steam engine of any kind, not a mine, not a spinning frame, not a power loom, nor anything that would now be called a factory; not an agricultural implement, except the simplest forms of hoes, rakes, and plows; hardly any paved streets, and very few miles of road practicable all the year round.

Set this picture of our country as it was in 1797 against your knowledge of it as it is in 1897; and then believe, if you can, that this great change could have been wrought if the statutes of to-day had been in force during that hundred years. Indeed, it was from the eighteenth century prototypes of these very statutes that the colonial fathers sought relief in emigration, and against the extension of them to the colonies that the Revolutionary patriots took up arms; yet to-day we have deliberately reënacted these laws, and are wondering that so many people are impoverished, harassed, and dissatisfied. If we and our children had been taught economics as we were taught heroics; if the industrial value of personal freedom were as well understood as is its priceless political value, everybody would know that meddlesome laws destroy prosperity and breed discontent. No one would suppose that men can prosper, or that they can be happy, if they are compelled, like half-broken setters and pointers, to hunt industrial fields with spiked collars and checkstrings on their brains, or that they can keep up in the industrial race with the free men of other communities, when their own State or country handicaps them with statutory burdens upon either the capital or the labor necessary to their success.

It may perhaps seem a great task to educate the masses

of voters in elementary economics, but they will really educate themselves if once they become emancipated from the prejudices which are bred by narrowness of environment, and which have been fostered by the politicians and so-called labor leaders. All that is needed is that they should do their own thinking, and the first step in that direction is for them to learn that the way to understand and to test the truth of economic principles is by studying the various industrial facts within their own observation, and by applying what they thus learn about the things with which they are familiar, they will soon discover how to form correct opinions on the greater questions upon which they are called upon to vote. The daily operations of Savings Banks supply many most instructive economic facts in a form easily understood.

Charlatans and others who mislead the people on these subjects always deal in generalities, and confuse their followers with great numbers. Millions and billions are incomprehensible to the average voter, and he is bewilderingly impressed by an orator who seems familiar with what men do and think when they are numbered by the million, and what dollars are capable of accomplishing when they are aggregated into billions; but you gentlemen can explain that a million men can do no more than one man repeating his effort a million times, and, therefore, while a million men, by combining, may accomplish in one year what no one man could accomplish unless he lived a million years, still the limits of human capacity are not enlarged by aggregating individuals; indeed, they are rather lessened, since the average capacity only prevails when large numbers combine. It is demonstrable that a thousand men, taken indiscriminately, cannot accomplish a thousand times as much as one man specially selected for the thing to be accomplished. Men constrained to move or act in combination generally lose capacity—the average soldier will travel faster, farther, and with less fatigue walking alone than he can do marching in the ranks.

All this goes to show that when men combine in corporations they do not gain capacity necessarily, and therefore there is no reason to fear that corporations will extinguish or even discourage individual effort.

As with men so with dollars. A million dollars will buy property or products a million times more valuable than property or products purchasable with one dollar, but there the advantage of the greater sum ends. When A pays a dollar for a yard of silk, he parts with his dollar and has the silk; so when B buys a million yards of silk for a million dollars, he parts with his million dollars and has the silk.

If you gentlemen can only succeed in disseminating one primary truth among the people you will do a great deal. It is the truth which Adam Smith made the basis of his political economy, and which lies at the root of all sound economic doctrine, namely, that not money, but money's worth, value, is the object of pursuit in communities which, like ours, are engaged in industry.

The money that comes as wages to the laborer goes out again: a part is paid for expenses, the balance is paid into the Savings Bank. Where is the money itself? Gone; he knows it, but is satisfied. He has the entry in his bank book, and he prefers that to money. Why? Because that draws interest, while the money never draws interest. This man who has a Savings Bank book is a capitalist, while the grocer, to whom he probably looks up socially, has no bank account drawing interest. The grocer and all other traders pay interest to banks; they receive none. Their need to borrow capital contributes to the economic adjustments which enable the Savings Banks to pay interest to their depositors.

The Savings Bank depositor, besides drawing interest on his deposit, is vitally interested in the ability of the bank to return to him on demand the principal sum of money on which interest has been paid; and here the question of money's worth comes home to him in a vital way. If, through the fault or the misfortune of the Government

or the community, the money in circulation becomes depreciated in real value, those to whom payments are due suffer, each in proportion to the amount he is to receive, the full effect of such depreciation. When, for example, depositors in the Savings Banks represented here to-day desire to withdraw their deposits, they will receive money that will buy just as much as the money they put into the bank; whereas, had the basis of our currency been changed from the dollar of gold to the dollar of silver, each depositor, in withdrawing his deposit, would find that it would purchase only half as much as the money he had put in before the change took place.

It is a momentous thing to a poor man to have the value of his savings cut in half. The rich men are making a great outcry because it is proposed to assess upon their estates a tax varying from ten to twenty per cent. upon the value of that which they leave behind them. This measure of taxation is supposed to be in the interest of the poor; and yet great numbers of those who have advocated the tax are also advocates of a monetary system which will tax the thrifty poor man who has a Savings Bank deposit quite fifty per cent. of his savings, as against the tenor twenty per cent. which the law proposes to exact from the rich man.

I hate appeals made to men as rich or poor. In a republic all men are equal before the law; and the law should be blind to inequalities of fortune as Nature is blind to the inequalities of opportunity. In a republic the law should make it easy for every man, be he rich or poor, to better his condition, to accumulate wealth, and to acquire property to the full value represented by the personal effort or the accumulated savings which he has put into its acquisition. The very politicians who insist upon always harping upon the inequalities of fortune have been for a long time creating and aggravating inequalities of opportunity, and now they are attributing to the greed of the wealthy, or to the craft of those employed by corporations, economic conditions which are only the fruit of unwise and

improvident laws. These laws have been placed upon the statute books by the aid and with the concurrence of the very men who use their injurious effects as political capital in their trade of mischief-making agitation. Mr. Micawber, as we all know, defined riches to be an excess, however small, of income over out-go; and poverty to be an excess, however small, of out-go over income; and this, after all, is the final difference. One man who saves from his income enough to put up money in bank is rich in comparison with his neighbor who, receiving the same income and spending more freely, puts up nothing. Why should the law distinguish between these two men to the injury of him who saves? By saving he contributes to the available productive capital of the country; he contributes to the enlargement of its industrial facilities, and therefore to larger employment of labor.

You will observe, gentlemen, that I have only skimmed over the surface, as it were, of the suggestive field of thought to which the invitation of your Committee has opened the way. No doubt you will all be able to turn to advantage the opportunities afforded by your close relations with large bodies of our fellow-citizens; and if in the course of your dealings and communications with them anything here said may suggest how an economic truth may be illustrated or enforced, I shall feel all the more grateful to you for having afforded me an opportunity of saying what I have said, and for having been listened to so patiently.

ADDRESS OF HON. EDWARD ATKINSON, PH.D., LL.D.

Mr. President and Gentlemen: After struggling throughout the last campaign with the national grip and virus of the silver craze, I myself was subjected to a slight attack of the physical grip, which leaves the human body in about the condition which that attack of national grip has left the business community of this country, and, while resting in a state of almost compulsory idleness at the Hot Springs of Virginia, I made my first personal acquaintance with your President, whom I had long known and with whom

I believe I have previously had some correspondence, I was surprised that I should find such a visionary man at the head of this great body of practical men. . . . The evidence of this was that he actually had the audacity to suggest, to believe, and to persuade me that I could come here and tell you anything about the right conduct of Savings Banks, with which I myself have had but slight direct connection. I have been able to treat you only with scant courtesy—for in the few days that have elapsed since my return my time has been so fully occupied with the necessary conduct of business that all I could do has been to put down a few notes and to trust to the spur of the moment mainly for what I may have to say. I should have carefully prepared had the time been sufficient—specially prepared for the reporters, whom I always try to save from the effort to report word for word, by reporting myself in multiple copy. I have been unable to do that at this time.

As I sat here listening to what you had placed before you to-day, I find a very complete analogy between my own functions and that of yourselves. The work of my life for the last twenty years has been to develop the science of prevention of loss by fire among the factories of New England, New York, and the other Middle States. I stand as the President of one of the larger companies, of whom there are but few, the work of several others having been developed mainly under our direction, insuring over seven hundred million dollars' ($700,000,000) worth of the factory property in which so many of those whose savings you have charge of have been earned. You have been successful as we have in saving waste. We have brought down the losses in specially hazardous property to a little fraction of less than twenty cents a year for the cost of insurance from year to year for the last twenty years on each $100 of insurance; for the last year to less than ten cents; thus saving the tools and implements and mechanism by which our depositors so largely gain their savings. And how have we done it? We have worked

that great change from former times by bringing to the owners of that property the true conception of their duty to the property itself, proving to them that they themselves were the only men who can insure their property against loss by fire by taking due precaution in the construction, in the protection, and in the conduct of their own work. When they had performed their own duty to their own property and not before, then we may safely come in and give them contracts of indemnity against the unavoidable losses, reducing them to a fraction of what they have been. That is also your function, or should be as pointed out to you to-day—to bring to your depositors the conception that they only are the men who can bring about good government, the right conduct of the State, and the right protection of the people against the incendiaries who would plunder them through the processes of law, or take away from them the savings of their life-time by bad legislation. There is, therefore, a close analogy between the functions which I discharge and those which you discharge.

I once took part in a very notable meeting in this city, when the inflation bill of 1874 was pending in the Senate of the United States, when at the instance of Vice-President Wilson I acted with others in bringing to President Grant the knowledge of the fact that there was outside of the atmosphere of Washington—where the pressure was all for inflation—a public opinion that would support him in doing what he himself believed to be his duty in vetoing that bad measure. I had the satisfaction in learning from ex-President Grant's own lips, when I met him in Europe after he had left the high office, that it was due to the great meetings held here in Cooper Institute and Faneuil Hall in Boston, and to the memorials that came to him from every great Western city, each signed by men that he knew, that he was convinced that there was a solid consensus of public opinion which would support him in his own conception of right, and which caused him to tear up a message which he had already written on the subject

to accompany the bill signed. I can see him now as he picked up a piece of paper, in relating this to me, and said: "I took up the message which I had written, approving the bill, because I thought public opinion demanded it; although I did not believe it myself, I read over what I had written and I said to myself: 'it is all sophistry; you don't believe it yourself, and nobody else shall believe it,' and I threw it in the waste basket." At that meeting, in the Cooper Institute, the first speaker was your late friend, whom many of you remember, William Wood, a member of your Bureau of Education; one who had been active in all good work; a canny Scotchman. When he began his speech he said: "My friends, there is no boore equal to the currency boore, and I am one of the worst boores of the lot, and I am going to boore you." Mr. Wood was mistaken. There is a worse bore than the currency bore, and that is the statistical bore; I am one of the worst of that lot. . . . But I long since learned not to attempt to hold an audience, no matter how practised they might be in figures, by reading before them great tables of figures and trying to give them the facts down to the last fraction of a cent. Therefore, in any figures which I may give you to-day, I shall deal only in the general results, bringing them down sometimes to the individual, but avoiding what one so often witnesses—the faults of the statistical bore. I have not that accurate knowledge of Savings Banks which one ought to have to address such a body as this; I do not even know, surely, where or when the system first originated in this country. I believe our old Provident Institution for Savings, in Boston, was the first; if not, it was one of the first. From that germ has been evolved our system in Massachusetts, which, as I am informed, is in some respects different from your own. Massachusetts, also, differs from New York in the proportionate number of the inhabitants possessing deposits, although I think the average to the credit of each of your depositors is a little larger than ours.

In round figures one half the inhabitants of Massachu-

setts, mainly persons of small or moderate means, possess certificates of deposit in the Savings Banks to the amount of $463,000,000; with their reserves and cash added, $488,000,000, at the last report; probably to-day, $500,000,000—the average to the credit of each depositor, without regard to their surplus, is $338; but if my present approximate estimate is correct, the average on the whole population of the State of Massachusetts is $200 per head; the number of accounts open at the present time is considerably more than one half the entire population of the State; but, reducing the small number who make use of the Savings Banks by multiple deposits within the limit of each bank for the purposes of investment, which is, I believe, not over one thousand dollars principal, there is no reasonable doubt that every other man, woman, and child in the commonwealth of Massachusetts possesses a credit on the books of our Savings Banks of an average of $200. It is rather singular that, according to the best and closest estimate that I have been able to make of the product of this country, the average product of this country annually, per capita, is somewhere between $200 and $225 per head, or between $600 and $700 to each person occupied for gain. Now if that be true—and it is certainly no more, for mine is the largest estimate that any economist has yet ventured upon—that would give an annual product to-day, approximately, of fifteen billions of dollars, it follows that the working people of Massachusetts have a title to one year's product a head per capita in the Savings Banks secured by a lien upon the best property in the State, through its safe investment, and I doubt if there is any other community in the world approaching that condition.

I am reminded of rather a curious incident. I was in the Senate gallery, in Washington, at the time the first internal tax bill was under discussion, as a representative of the manufacturers. The debate was in progress in the Senate, and a suggestion had come up for taxing Savings Banks. It soon became evident that the majority of the

Senate had little or no conception of the functions of the Savings Banks of the East. Even Senator Sumner himself, speaking against a tax which would have taxed us all out of existence, did not appear to have all the data that might have been used. I could not get down on the Senate floor, and I scratched off on a sheet of paper a little memorandum to him stating the amount of the deposit as it then was, the number of persons interested, and three or four other salient facts. I dropped that paper down to a messenger who carried it to Mr. Sumner who immediately nodded to me and incorporated the facts in his speech. Next to me sat a very rough, hardy-looking man who proved to be a hoosier from Indiana. I noticed as I was writing that he watched me very closely and with evident amazement, and I said, "My friend, you look surprised." "Yes, I wondered what you was doin'." Said I, "I merely told Mr. Sumner that the working people of Massachusetts had $250,000,000 in the Savings Banks of Massachusetts." "What is that you say, stranger?" "I told Mr. Sumner that the working people of Massachusetts, factory operatives, domestic servants, and the like, had $250,000,000 deposited in the Savings Banks of Massachusetts." He looked at me a moment and exclaimed, "Wal, stranger, you air a very respectable looking man and I suppose I ought to believe yer, but I'll be damned if I do believe a word you say!"

That is the aspect which the eastern Savings Banks of this country bear in the minds of thousands of western and southern men to-day. There will be very much greater security to the affairs and the finances of this country when the true trustee Savings Bank has carried its beneficent influence throughout the land. I have preached that gospel over and over again to my southern friends in addresses that I have made down South. I once made an address to the combined Boards of Trade of New Hampshire, contrasting her position with that of Massachusetts, in order to account for our superior wealth. I took the ground somewhat in joke that the wealth and welfare of a

State would be in inverse proportion to the possession of any great natural resource, and, as New Hampshire had a great deal of natural scenery which enabled her people to live as they do in Florida, on fish and strangers . . . while we in Massachusetts had very little and had to live on our own thrift, we had beaten her and were better off than the people of New Hampshire. There is many a true word said in jest. If you give regard to the economic history of nations, where do you find to-day the most prosperous people? One of the richest countries containing the most prosperous people, especially the most prosperous farmers in all Europe, is Holland, where the people had to make the very land on which they raise their crops. Energy and thrift, developed by the very necessities of the case, have made Holland and have made Massachusetts what they are to-day. It is due to that thrift that our Savings Bank system is developed to the extent to which I have spoken.

Difficulties are now occurring in the investment in these great sums of money which are falling into the custody of trustees; I therefore told Mr. Rhoades that I should take the beneficent function of the Savings Bank as a lender or distributor of the small capitals of the people as my subject. In my judgment, it is even as great and almost a greater benefit than the incentive to saving. What do we do with the capital of the people of moderate means to put it into beneficial use? How do we dispose of it? We have no permanent national debt. It is often proposed that there shall be a Postal Savings Bank. That conception is based mainly on the incentive to saving, but it is utterly impracticable. If the present Congress would give due regard to the fundamental and simple principle of taxation, namely, that all taxes that the people pay the Government shall receive, without diversion or perversion to any purpose of private gain, a simple and effective system of taxation could be as easily made as one can conceive. It would yield the entire revenue necessary to the conduct of the Government, economically administered,

while at the same time yielding a surplus that would pay the entire bonded debt in less than ten years and the entire demand debt in less than ten years more. That simple and effective system which might be to-day adopted would not exceed the per capita rate which it is now proposed to put upon the business people of this country—for what purpose, aside from the support of the Government? I leave to your own conscience that question. I am not going into that subject. In any event, there ought not to be for many years longer any national bonds for investment of the postal savings, and if the people of this country were to save even one half the average savings of the people of Massachusetts, an investment of that capital would be needed to the amount of over $7,000,000,000. It is impossible to charge the Government of this country with the custody of savings, because we have learned that a national debt is not a national blessing, and, in the providence of God, we do not mean to have one much longer. There is not a State in the Union which, through its natural resources, worked with the intelligence and thrift which have been forced upon the people of Massachusetts—more than one quarter of whom to-day are foreign born and more than one half of whom to-day are either foreign born or of foreign origin once removed—might not in a few years accumulate a capital in the possession of its people greater by far than that which the people of Massachusetts have scraped together by their close economy in all these years, $200 apiece. Then what shall we do with our deposits? That is your great question. What are you to do with the pending investment, soon to be increasing? It is a fact that even bad government cannot repress the progress of the people of this country. Bad methods of taxation, bad suggestions regarding the currency, efforts to put the quality of the money at the mercy of the chance election of a single President, only retard progress but do not stop it. Think of it! As one of your best citizens and most sagacious men remarked to me to-day, when he put the question on

the continued existence of the legal tender paper money to one of its chief supporters, saying, "Are you ready to let the quality of the money on which all our transactions depend and on which all the business of this country rests; are you yourself willing to leave it to the chances of what single man shall happen to be chosen President of the United States?" The man to whom he put the question replied, "I never thought of that before." It is time everybody thought of that, for that question develops the whole danger on which we have yet the fight to go over again to maintain the honor and credit of the nation.

But now, gentlemen, I have exhausted the few sheets of paper on which I had made my notes. I now come to some of the details. What have we done with our deposits in Massachusetts? In what manner have we distributed the capital placed at the disposal of the Savings Banks? I have not had time to examine the laws under which your investments are made. I believe a wider scope has been given to the banks of Massachusetts. That it was safe to give it may be proved by the fact that during their whole existence they have been charged with the custody of about $2,100,000,000, of which at the present time nearly $500,000,000 remains in their custody; yet throughout their whole period of existence the entire loss to depositors, by the failure of Savings Banks, or by scaling down in some instances their deposits, does not exceed $2,000,000. Less than one tenth of one per cent. in fifty years' loss to depositors through any fault or error or fraud or mismanagement of the unpaid trustees and of the paid officers by whom that trust has been administered. This gives another example of the rule which I so often quote from Sir Henry Sumner Maine's Ancient Law of how the development of mutual trust is a comparatively modern conception, calling attention to the fact that in the Homeric records the cunning of Ulysses and the treachery of other heroes has been commended as much as the wisdom of Nestor or the courage of Achilles. He says, substantially, as time has gone on and the work of society

has been developed, the trust reposed in and deserved by the many has created the opportunity for fraud of the few. Where there is no mutual trust there can be no fraud. Where the mutual trust of the workman and the capitalist, the mutual trust of class and class, and of all classes of the community, each and the other exists, it is that very trust reposed in and deserved by the many that has made the opportunity for the fraud of the few. According to our last Massachusetts statement of the investment of about $480,000,000, our banks among their assets had $91,000,000 of loans on personal security. While I was a manufacturer I had very close knowledge of what that personal security consisted of. It has been the practice of our Savings Banks to lend money as working capital to the great industrial establishments of this State, to the factories; taking the greatest care both as to the credit of the corporation and requiring the personal security of two or three of its officers or directors. These loans have been justified. The Savings Banks have loaned to the factories of Massachusetts the working capital which consisted in large measure of the deposits of workingmen and operatives in those very factories. A few years ago when I gave rather close attention to this subject I found that the depositor in the old Lowell Savings Bank, who had from year to year placed his money in that bank and added his accumulations, had received a better remuneration for his money than he would have received if he had owned shares in the average factory stocks of Lowell, itself one of the most successful of the factory towns. The average dividends of the Lowell companies throughout a period of thirty years had not paid as good a return as the average earnings of money in the old well-managed Lowell Savings Bank. Whether that continues up to date I do not know, but that was the fact only a very few years ago.

I come now to what I deem the most important use of the deposits in the Savings Bank. The next item of the assets is $202,000,000 of Loans on Real Estate. How you

stand in regard to that I have not the least idea, but two fifths of our entire deposits are loaned on real estate. I wrote in preparing for this address to the Commissioner of Savings Banks and I found that the number of loans on mortgage was a little over seventy-two thousand; that gives only an average of twenty-eight hundred dollars to each mortgage. Now, I know that some of those mortgages on real estate in the city of Boston are pretty large, but by so much as they are larger if they were taken out would the average be reduced. I have no means of computing it, but I should say that if we took off $800 from the $2,800 from a relatively small number of those mortgages we should find that over 60,000 homes had been made possible to the people of Massachusetts by the lending of the small savings of one class to the thrifty men of the other class, to the end that they might establish themselves in their own dwellings.

We all know—not one of you would differ from me about it—that the man who owns his own home is the safest man for the community. He is the man on whom we rest, no matter what may be the waves of distrust or of fallacy that may spread over the country. When the silver craze was spreading and we were trembling at what was to come, I had made the analysis of that wonderful report on western farm mortgages which was in the last census; when I discovered that more than seventy per cent. of the farmers in the great Mississippi Valley owned their farms free of any incumbrance I told my friends: "You need not fear; that great body of men—slow but sure—will be educated in this campaign, and as they shall vote, so will be the safety of the finances of this country." That forecast has been justified, and will be justified again and again. When I went abroad as Commissioner of the Government to report on bimetallism in Europe I met many of the principal financial ministers and bankers of Europe. They were all wondering how we could have had the folly to load ourselves with the purchases of silver, when, as they knew and we knew, we of all nations in the

world held the command over the gold deposits of every bank in Europe, yet they feared we were going down in that current. I said to them: "Gentlemen, we may go once, twice, thrice to the ragged edge of danger, but never shall we go over! never may you fear or hope that the United States will dissever their unit of value from the world's unit of value, the weight of pure gold, which is incorporated in the coin of the nation."

Now, gentlemen, this idea of the true function of the Savings Bank to aid in housing the people in their own homes is a very far-reaching one. Think of what it means, and of what misdirected efforts have been made by the people who have wished to go a little faster than the Savings Bank will permit them. A bad lot of endowment assessment associations was unfortunately made lawful in the State of Massachusetts a few years ago. Rogues came in and plundered the people—plundered the poorest class of those who should have deposited in the Savings Bank in a few years—of $7,000,000. I had the satisfaction of being one of those who drove them out of the State, or into bankruptcy, two or three years ago. We have also coöperative banks. They correspond somewhat to the building societies, notably of Philadelphia. But there is an enormous field yet unoccupied, analogous to that of the Savings Bank, which might be incorporated to some extent with it in this development of the idea of housing the people, inducing them not only to save but also to spend their money in the wisest manner. Look at Philadelphia, and you see the best housed people in the world. There is nearly one home to every five persons in Philadelphia. How has this condition been brought about? Partly through legislation giving direction to the forces of public opinion. In the first place, all the taxes of Philadelphia are levied upon the real estate, upon franchises, and upon only a few articles like watches and silverware of personal property. The attempt to reach invisible and intangible property, in the form of stocks and bonds, by annual taxation, has been given up; a reasonable succession tax on the

assets of deceased persons has been substituted, which works well. Philadelphia had building acts many years ago, before the city began to spread over its great area, which you could not have established, and which we could not in Boston, on account of narrow areas, but for which we must find some substitute. These acts require that for every family in a house in a residential district there should be so much open yard. Terminable ground rents and building societies also exist. It was first made lawful to sell land on perpetual ground rents, but that proved to be against the general interest of society. Their present act allows the actual conveyance of land to the man who builds upon it, on consideration of a payment of ground rent for a term of years, which the lessee may compound at any time by the payment of a lump sum; occupants thus being free from the danger of foreclosure, which always comes at the worst time. Every man is confident that he can retain his standing on his own land. Through the Building Society and the exemption of machinery and tools of production from taxation, many of the principal citizens of Philadelphia have begun their lives as hand loom weavers, owning one loom in their little houses, growing up under the simple and effective system of taxation, to become the rich and prosperous men they are. . . . You know many of them, as I know many of them. But again, what do they do in Philadelphia with their franchises? Do they give them away? Do they allow men of a type of whom I do not like to speak—men whose conception of their own possession of capital is only that they may get some advantage out of their fellowmen, so as to pile up more and more of the capital that they themselves know not how to use, to grab their streets by corrupting legislators and getting possession of quasi or practical monopolies? I have no words of obloquy that would measure the contempt into which that class of men should be buried under the censure of the people. The people of Philadelphia have not given away their franchises or the control of their streets. They have granted them for

use on conditions of mutual benefit. I believe the whole paving system of fine asphalt has been put down at the expense of the street railway systems of Philadelphia, yet the railroad companies find their profit in doing it, and they prosper. They prosper in the mutual benefit which is the life of all commerce. When I see men of huge capital corrupting legislature and working upon Congress—not directly corrupting the members themselves by absolute bribery, but exerting such an influence over them that they can hardly resist it, hardly knowing where that influence comes from, the purpose being to get possession of quasi monopolies, or in order to get acts passed by which they may, under the guise of revenue measures, increase the taxes in huge measures that the people pay, but which the Government does not receive—I do not wonder at the prejudices that are growing up among the hard-working and industrious people who cannot master these intricacies. I tell you that if we expect to correct this evil we must stamp out these men who corrupt legislatures. Put your foot on the man who would buy a franchise by corruption and oppress the people for his own private profit! Put the mark of Cain upon the man that will pervert the power of taxation to purposes of private gain at the cost of the community!

Gentlemen, it is singular that one may go to the "effete monarchies" of Europe to learn a lesson how to house the people of this country in their own homes, and yet I have here the evidence that they may do that. Many years ago, when what is called the Australian system of ballot was first introduced in Massachusetts, my recollection went back to one of those useful pamphlets, which it is the function of the Cobden Club to circulate among its members, on the so-called Torren system of registration and title to land under certificates of title guaranteed by the State, in place of the registry of deeds. I sent for a copy, and, having read it, I sent for 1,000 copies for distribution. I wrote a popular article in the *Century* magazine upon this great reform, which is within the scope of every

State in this country, tending again to housing the people with the least cost and in the simplest manner by a simple change in the mode of conveyance. The Legislature of Massachusetts has acted upon it, but has not yet passed the law. One commission, which consisted mainly of conveyancers, found it difficult to adjust the present system of conveyance to the new conditions, but it is probable that this year another commission of men, learned in the principles of law, with power to consult technical conveyancers, will remove the obstructions, and that we may soon enjoy the benefit of this system. A member of the Real Estate Exchange of Illinois was present at a dinner of our Real Estate Exchange, where I first developed this subject. Chicago, you know, moves quickly, and this gentleman went home and before we had begun to move in Massachusetts he had an act through the Legislature of Illinois, giving the option to every county in the State to adopt this system. He did it a little too hurriedly, and there was one slight constitutional objection in the act, which the Legislature of the present year has removed. What is this system? You or I own a piece of land, for which we have a registered deed. The title is good. We carry that registered deed to the State conveyancer, and he finds that the title is good. He takes possession of all the documents, holding them for the protection of the State; he then registers the title, and gives me a registry certificate of that title, with the guarantee of the State behind it that it is good. The State has not interfered with, or changed, any of the customs, or laws, by which an estate in land is now vested in an individual, subject to the reserved rights of the State. The State has merely taken the evidence of title over on to the sovereign record from which it emanated, and, finding it good, has given the owner a certificate that he has a good title. The owner in possession of such a certificate can borrow money on it, pass it from hand to hand in the simplest way and with almost as little expense as is involved in passing title to a registered bond or a registered share of stock. Think of

it! In Australia, in British Columbia, in New Zealand, and in many of the British Colonies that system has been in force for many years. In some colonies a very small fee for insurance is charged and held by the State, but the fund has hardly ever been called upon. This covers the risk that the State runs by assuming to give that certificate. There might possibly have been a flaw in the original title. I thought this system had originated in Australia, but one day I was reading an English paper and there came to me a review of an English blue book by a registrar of titles which I have before me. To my utter surprise I found that this system had existed throughout central Europe in all its integrity, corresponding almost identically to the Torrens or Australian system, which Sir Robert Torrens established, probably without knowing this himself, from the manner in which the title to ships are registered and passed, he having been in that service.

Here we have the facts that throughout Austria-Hungary, Bohemia, Saxony, Prussia, and throughout nearly the whole of central Europe, a system has been in force for more than eighty years so practically identical with the Australian system that the difference is trifling. I would suggest to any of you that are students of this matter—as you may become perhaps if I succeed in interesting you—that you send and get a copy of this blue book. It will cost you only about one shilling and seven pence. Address Eyre & Spottswoode, East Harding Street, Fleet Street, E. C., London. Let me call your attention to the advantage of the English system of publishing documents. Here is a most complete government report, admirably arranged and printed, with all its citations. The English government does not distribute these reports to the public free, to pass in most instances through the hands of a receiver into the paper mill from which they emanated. They charge a small fee. Nobody goes for a government report in England except a man that really has some use for it and will take some pains to get it. You will find in this work not only a complete account

of this system of the transfer of land by title, but a complete explanation of the success of the land banks which are potent instruments in central Europe for identifying the interests of the people with the interests of the State. You can then comprehend something of the patriotism, often misdirected, of the Germans toward their fatherland, when you find how the government, "effete, dynastic monarchy," as it may be, has seen to it that the ownership and the possession of their homes is assured to the people at the least possible cost. I have always looked with jealousy at the suggestion of land banks in this country. A land bank was established in Massachusetts, in 1745, and Samuel Adam's father was one of the chief promoters. The greatest prejudices that existed against the last royal governor, Hutchinson, were due to this effort to wind up the land bank and to get its creditors paid, as well as to maintain the coin standard of value in the colony of Massachusetts. He was a Tory, but in spite of that let it be said to his credit he was a sound money, true citizen of the colony, who remained loyal to the King. Read Hosmer's life. Let us revert to the report: Here I find a record of the cost. For instance, here is a record of a transfer. Ten pounds, say $50, is a high fee, even in large matters and with wealthy clients. The reporter says: "One of the judges spoke to me complaining of a bill of six pounds and twelve shillings, that he had been charged for professional help in the purchase of real estate of the value of $20,000." From that down to a few shilling for the assignment of small lots is all that a man has to pay, and intelligent men very often go without professional assistance. One man takes his certificate up to the registrar, having sold his property; the purchaser goes along with his money. The seller hands his certificate over to the registrar, the registrar makes out the new certificate to the new owner, the money is paid over then and there. There is no expense except a little fee to the registrar. The cost seems almost ridiculous compared to the cost of conveying or executing of first and second mortgages here.

This system has been applied to the greatest estates in Bohemia of which the title goes back to feudal times in the fourteenth century, and from that down to the small holdings of Prussia, where Baron Stein introduced his land reforms and thus re-created Prussia and made her capable of resisting the power of Napoleon. It exists in Wurtemberg and Bavaria, where the holdings are very small, where the land is subdivided, and there the same system has been in force for over eighty years. In short, I might turn over page after page here and give you illustrations of its value. Here is one case where the returns of twenty-seven of these land banks out of a very much larger number are given, and in the course of their history they had loaned to farmers —for commercial banks avoid these loans—£147,000,000 (over $700,000,000). These banks now issue debentures and get the money as you receive the deposits in the Savings Banks. They are under supervision of the government. They are carefully run, and their debentures are the commonest forms of good security offered for sale in the Bourses of all the great cities at four and a half and five per cent. The farmers get their money at about the regular market rates, subject to these small charges, no greater hardly than would be incurred in transferring a share of bank stock. I commend this method and study to you in any far-reaching view of the future function of Savings Banks.

To this I have ventured to add a little pamphlet of my own, which I printed at the request of the Real Estate Exchange before I had got hold of this matter of registry of title, but which fits into it to a dot. I have attempted to explain how a man may gradually become his landlord, taking up that wonderful system of terminable ground rents of Philadelphia. It occurred to me that the title to land might pass from vendor to vendee, and lessor and lessee, under one registered document which should remain in force until all claims had been liquidated, such claims to be represented by rent certificates. These certificates would not carry any promise or agreement to

pay any lump sum at any time; but suppose a piece of land had been sold for $1,500 on six per cent. interest or ground rent, there would be fifteen rent certificates at $6 each registered at the trust company where the title vested, each of these certificates containing the provision that the lessee at any time coming into possession of $100, and giving due notice, could go to that trust company and deposit it to the credit of the holder of that certificate. He need not discharge it, he puts it away, for it is just as good security to him on his own land as it was to the other man. He gets, say, five of these rent certificates into his own possession; then comes one of the periodical disturbances of trade at a time when under the ordinary conditions he might be foreclosed. He has not even the money to pay the rent on the rest of the rent certificates, but he has his own five rent certificates undischarged of record, just as good security. He can then go to the trust company and borrow, temporarily, enough to tide over the hard times; when the times change again he takes up that loan; presently, as he prospers, he takes up all the rent certificates, discharges the record, and, without ever having incurred the danger of being foreclosed and sold out, he has become step by step his own landlord.

Such is my discursive effort to deal with this subject, of the technical parts of which I have very little knowledge, but with the grand future scope of which it seems to me I have a vision as clear as I hope the vision of your President was when he believed I might interest you for a few moments.

CHAPTER V

Fifth Annual Convention—War with Spain—Still Disordered Condition of Monetary System—Questions Relating to the Taxation of Savings Bank Deposits—Committee of the Association Sent to Washington to Prevent Adverse Legislation—Notable Address on "Sound Money," by Judge M. L. Crawford, of Dallas, Texas—Postal Savings Banks Discussed—Resolutions Favoring Currency Reform Legislation—Closer Relations with Savings Banks of Other States Advocated.

THE year 1898 is memorable for the brief and decisive war with Spain, precipitated by the awful tragedy of the blowing up of the battleship *Maine*. President John Harsen Rhoades, in his opening address at the Fifth Annual Convention of the Association, held on May 19th, made reference to this fact, in addition to touching upon other important subjects, such as what percentage of deposits should be kept in cash or its equivalent, the extent to which they might be willing to extend the scope of investments, and other like topics of ever-present interest to those charged with the administration of a great trust. The session was well attended, there being one hundred and twenty present at the opening.

The press had already announced that the Savings Banks were exempt from the proposed war revenue tax, owing in large measure to the efforts of the Committee that had been appointed to confer with members of Congress and the Finance Committee of the United States Senate who prepared the bill.

In order to obtain better results, the Secretary, Wm. G.

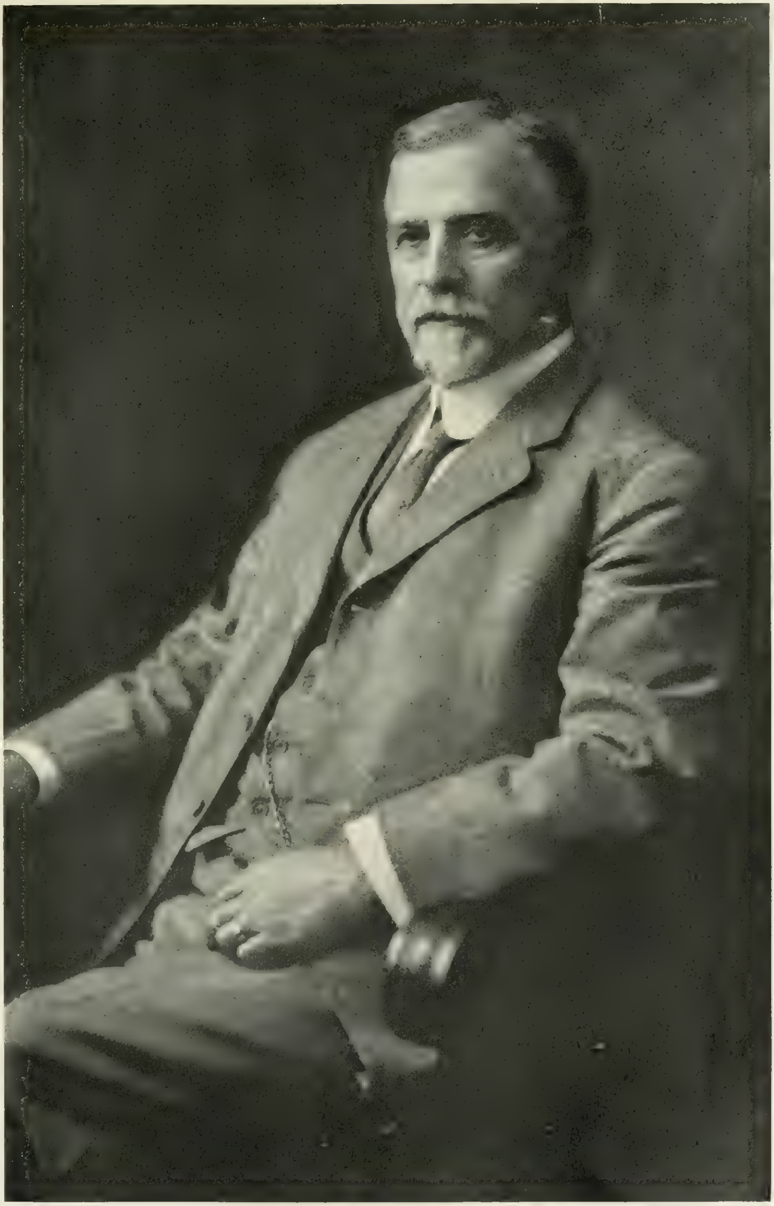
Conklin, expressed the hope that before another year had elapsed every Savings Bank in the State would have become a member of the Association.

ADDRESS OF PRESIDENT RHOADES

President Rhoades, in his opening address, said:

The existing war has absorbed so much of public attention that people have seemed to forget the dangerous elements in the situation which still continue to exist owing to the disordered condition of our monetary system, and it is well to remember that until the existing policy has changed and the Government adopted some plan, gradually retiring from the issuance of currency obligations, and such currency issues are regulated to the banks which are the only proper medium of issue, we cannot continue to have permanent prosperity or be relieved from the dangers of alarm and distrust which are sure to come when failures of crops or undue speculation have produced the causes which naturally lead to heavy withdrawals of gold from the Government depositories. Therefore we, as Savings Bank officers, must be mindful of these facts, and govern ourselves with caution and prudence in the management of the vast interests we serve.

It is strange that the people cannot understand that banking is business just as much as manufacturing and mining and tilling the soil, and that all these varied industries would be helpless without the aid of the banks, which utilize credit and form the centre around which revolve the wheels of commerce, and from which commerce draws its power to move; yet we protect our manufacturers, and are always aiming to protect labor, while labor continues to strike at capital, and seems to have an ever-increasing hatred for all institutions which have the handling of money or that which represents money, nor can they seem to understand that just as their own frugal savings in rivulets flow into the Savings Banks until they have reached



WILLIAM G. CONKLIN

SECRETARY, 1893-1907

the enormous volume of two thousand millions of dollars, each little rivulet powerless for good in itself, yet, in the aggregate, forming a vast sum, lending itself to the Government, the city, the town, the village, to the public authority, and to the private individual, and thus aiding in the employment of labor and the building up of the prosperity of a great nation, so, in like manner, do the aggregate deposits of the people in banks of issue, each small in itself and each by itself of little value to the public, make up the vast sum upon which credit is based and through which the people prosper and are given the power to employ and be employed.

Therefore is it of the utmost importance that the banking system of a great nation should receive not the condemnation but the hearty support of every citizen, and all should unite in a demand that it be properly encouraged and protected by law and placed upon a foundation which will secure for the people the best of currency and the highest credit in the civilized world.

So far as the eleemosynary system of Savings Banks is concerned, I feel sure there is no hostility to the establishment of a Postal Savings Bank system. Any system which can be wisely conceived and managed, and through which the surplus earnings of the people can be brought into use as a great moneyed force in the community not only tends to thrift and economy, but adds a giant power in developing the resources of a nation, and should by all means be encouraged, provided it can be done economically, wisely, and well.

It is not often, gentlemen, that your President can promise so many good things in store for you at one of your annual meetings; and here I ought to close, but there is one subject to which I have only referred by name, and yet a subject which is so active and all-absorbing in the public mind that I cannot well pass it by. I refer to the existing war between Spain and the United States; and in this connection it seems to me proper to say that which I know you all will endorse, and it is that, war

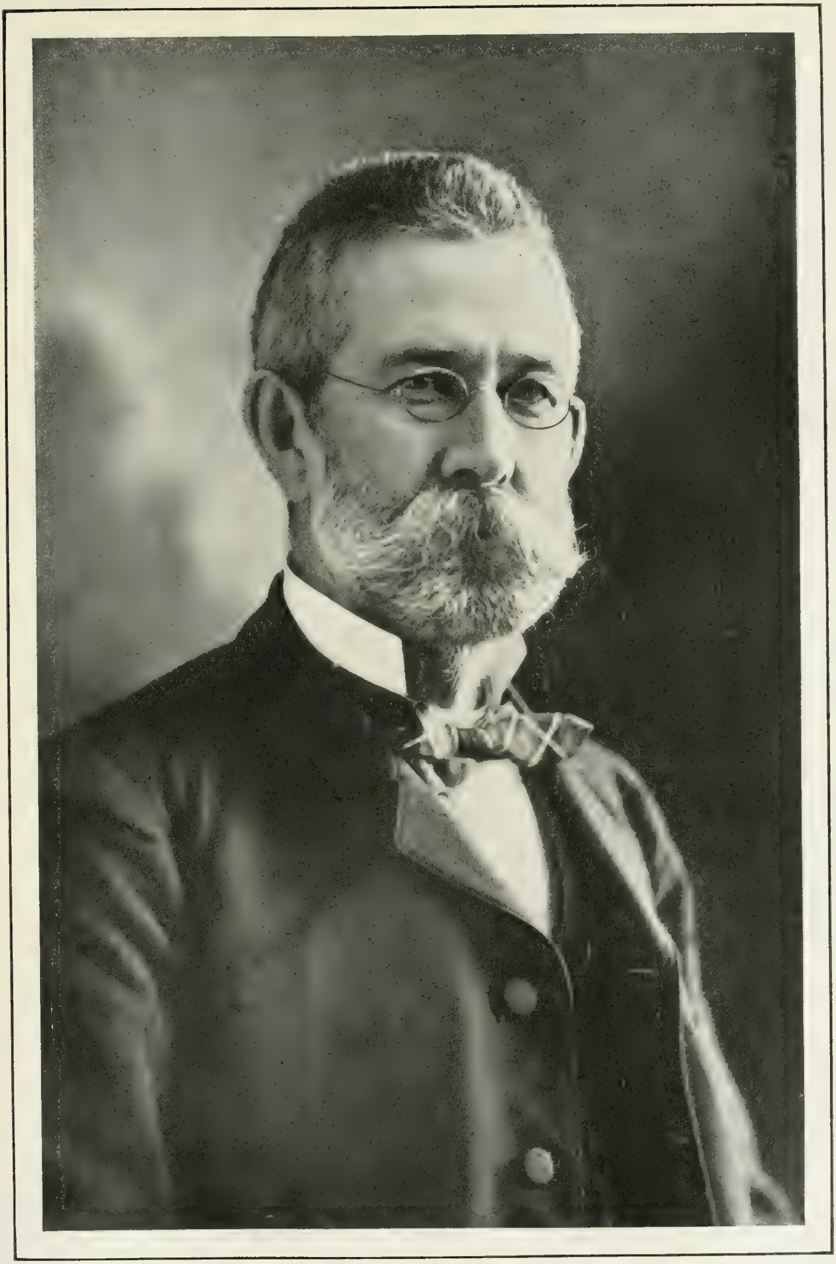
or no war, the Savings Bank system of this State is so well grounded in law, so carefully guarded by a competent Banking Department, and so wisely restricted as to investment as to make our Savings Banks the most secure depository for the moneys of the people which can be found anywhere—a place where they should be deposited in times of distrust, and not a place from which they should be withdrawn. The pity of it is that the timid and the ignorant cannot always be made to understand that this is so; yet considering the excited condition of the public mind which has existed for the past sixty days it is remarkable that there has been so little disturbance of Savings Bank deposits, and that the great mass of depositors have continued undisturbed in their confidence in the Savings Banks of the country, notwithstanding the alarm of war and the foolish dread of possible invasion.

How much the members of this Association may differ as to the need or necessity for war in the present instance I do not know, but I can and do say that when the Government of our country decided that war was necessary and must be entered upon, from that moment every man ceased to be a partisan and became a patriot, pledging at once his influence, his property, and, if need be, his life to sustain the dignity and the honor of his country. So, gentlemen, the officers and the trustees of the Savings Banks of this State, and, I may say, of the entire country, pledge themselves to render all possible assistance to the Government and to do their full share in maintaining the credit of the nation.

REPORT OF EXECUTIVE COMMITTEE

Mr. Samuel R. Rainey, Chairman of the Executive Committee, made report in which it was said:

The past year has been one of more than usual activity on the part of the Executive Committee, principally on account of the questions relating to taxation. Early in the year a circular was sent from the office of the State



SAMUEL R. RAINEY

CHAIRMAN EXECUTIVE COMMITTEE
1897 1900

Tax Commissioners calling the attention of local assessors to an opinion emanating from the Attorney-General's office and signed by one of the deputies, as follows:

"In my opinion subdivisions 14 of section 4 of the Tax Laws of 1896 does not exempt depositors in Savings Banks from taxation on their deposits, but only exempts the banks from paying taxes on them. Depositors can be assessed upon their deposits, and examined by the assessors regarding them, the same as other personal property."

A meeting of the Committee was called at once, and the chairman instructed to submit the question of taxation to an attorney and obtain a written opinion. Accordingly, the two following questions were submitted to George W. Wickersham, of Strong & Cadwallader, of New York:

First—Are deposits in a Savings Bank subject to taxation against the individual depositor?

Second—Is the surplus of a Savings Bank subject to taxation?

After careful consideration Mr. Wickersham gave an opinion, answering both questions in the negative. A circular covering these points was promptly sent to all the members of the Association. A copy of the opinion of Mr. Wickersham in full, with cases cited, together with all information in the possession of your Committee, was sent to each member of the Association asking for it, making the correspondence on the subject quite voluminous.

In July a circular was sent to the Association in reference to the preparation of a test case on taxation, and asking if it was the wish of the members of the Association that such test case should be brought, the cost of which was to be borne pro rata by the Association. The answers to this circular were such that your Committee decided that it was not your wish to have such test suit made, and the matter was accordingly dropped. Several of our banks, principally in the southern part of the State, were placed on assessor's books, and an attempt made to collect a tax on surplus. Some of the banks applied to the Committee for advice with reference to such assessments, and

were advised that if compelled to pay they should do so under strong protest in order to reserve their right to have the tax refunded if the courts decided they were illegal. As far as the Committee is aware no bank has paid such tax.

In Newburgh the assessors placed the Newburgh Savings Bank on their rolls for the full amount of their surplus, less their Government bonds and real estate. A writ of *certiorari* was obtained and the case argued before Judge Hirschburg, who in his opinion held "that the assessment in question should be vacated and set aside as illegal and unauthorized." The city has appealed from this decision, and the case will be carried to the Court of Appeals.

The question of taxation as against individuals was also brought before the courts, growing out of an attempt of the assessors of the village of Fulton to assess certain of its citizens for money on deposit in Savings Banks. The claim was clearly made and there was no dispute as to facts, the assessors maintaining that such deposits were subject to taxation, and that they committed no error in such assessment. The question was thus submitted on its merits, and the learned Judge held that deposits were exempt from taxation under the laws of the State of New York.

In view of this decision the State Board of Tax Commissioners have this year instructed the local assessors not to assess deposits in Savings Banks unless further advised.

Much has been said of late in regard to the debt of New York City. It is not generally known that the thrifty working classes, through the Savings Banks, are the largest creditors of this metropolis, carrying over forty-six per cent. of the debt, and in volume amounting to over $100,000,000. This investment, owing to the vast amount of taxable real estate represented, is absolutely safe, and beyond doubt one of the best securities held by the banks; yet the rights of these people—over 1,800,000 in number—

require a prompt adjustment of that portion of the debt assumed through the absorption of surrounding municipalities in order that there be as little delay as possible in the payment of interest thereon, for which the greater city is liable. It is hoped that such decision will be made as soon as possible, and all questions as to what constitutes debt should be speedily settled. The credit of a great city is of the first importance, and supposed doubt should be removed at once. It is earnestly hoped, therefore, that whatever questions there may be at issue with the authorities in charge will find ready solution.

The other was a bill introduced into both houses permitting investment in first mortgage bonds of railroads under rigid restrictions.[1] This bill was favored by some of our banks and opposed by others. As originally drawn, the bill was faulty in construction, and your Committee, when convinced that it was likely to become a law, had it amended in some respects and placed in better position in the section which it proposed to amend. The bill became a law April 13th, and the Secretary immediately sent out a circular giving the correct text.

In reference to the bill the Committee issued the following resolution:

"*Resolved*, That the provisions of the existing law regulating the surplus of Savings Banks and the dividends to be paid are in our judgment safe and proper, and should not be changed."

It becomes more and more apparent each year that if the almost perfect system governing Savings Banks in the State of New York is to be maintained in its integrity it will be necessary for its friends to be very zealous in guarding it. The Association should look to the selection of men of intelligence and honesty for members of the Legislature, and when a bill detrimental to Savings Banks is before that body, each member should bring the full weight of his influence to bear against it.

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[1]This was the first legislative recognition of the legality of railroad bonds as Savings Banks investments in New York State.

The Committee expressed its obligation to Senator L. H. Humphrey, of Warsaw, Wyoming County, who had been for three years Chairman of the Committee on Banks. He was a warm friend of Savings Banks, and being thoroughly honest and conscientious, had frowned upon every attempt to amend the law to the detriment of the banks.

TAXATION OF DEPOSITS

The subject of the taxation of Savings Bank deposits was one then uppermost in public and private discussion, and in view of this fact the President had invited general discussion. He introduced Mr. A. E. Hart, of the Society for Savings, of Hartford, Conn., who said:

Mr. President and Gentlemen of the Association: When Mr. Rhoades kindly extended the invitation to be present here to-day I did not understand that I should be asked to take any part, but supposed I would have a back seat, and hear and not be seen. But it is a matter of such vital importance to all Savings Banks in New York and New England—I may say in the East—that I think you should at least understand what is being done in Washington. We, in Connecticut, have been watching this thing for two or three years. This bill in Congress is known as House Bill 10,100, and it was reported in the House May 2, 1898. In the first bill which was reported the tax was, you might say, nominal; we were taxed on our gross receipts one quarter of one per cent. That to an institution as large as the one I represent, now over twenty millions, amounted to something like $2,000 a year. Of course we have got to appreciate that the expenses of this war must be met by somebody, and $2,000 a year for our institutions was not large, and for one I was not inclined to make much objection to it. The bill was started in the House and reported to the Senate, where it now rests. A week ago to-day an amendment was added, which is a very

serious matter to the Mutual Savings Banks, and is as follows:

"That every person, bank, association, company, or corporation engaged in the business of banking shall pay a special excise tax which shall be equal to one forty eighth of one per cent. each month upon the average amount of its deposits of money subject to payment by check or draft, or represented by certificates of deposit or otherwise, whether payable on demand or at some future day."

This means, to a bank of $20,000,000, a tax in round numbers of $45,000 a year—which is more than we pay to the State of Connecticut to-day, being one quarter of one per cent. If the bill passes, our taxes are doubled, and you can very readily see that it will be a very serious burden for the banks to pay it. Take the large banks and it would run up to $50,000, or $75,000, or even $100,000. Take the large city banks of $50,000,000 each, their tax would amount to $125,000 a year. We thought it was of such vital importance that last week three of us went to Washington, and we have been in consultation with our Congressmen and Senators, and they are going to do all they can to help us out in this matter; but they say they cannot do it all. Connecticut is a small State, with only six members in all, and they must have the help of the large States like New York and Massachusetts. We returned last Tuesday, and have been in consultation with the Massachusetts people, and they have already sent a man down and are going to send more this week. We hope that your Association here will appoint a Committee to go to Washington just as soon as you can. This matter will be finally settled within a month, if not sooner, and quick action must be taken to help us out in the matter. Our Senators there suggest that you send a Committee there, and also notify all banks in your State and urge them to send letters, telegrams—anything; deluge them with correspondence in regard to this matter. They are going to do something in Massachusetts, they have sent

one man already, and they are going to urge every Savings Bank treasurer to notify his Congressmen and Senators of the great injustice of this proposed taxation, and see if it cannot be headed off.

I do not know that I can add anything more. I am sorry to have taken your time. I did not expect to speak when I came here. If any one wishes to ask me any questions I will answer them and state briefly all I know in regard to the matter.

Mr. James McMahon said:

It seems to me that it might be desirable, as throwing light upon this matter, to go back to our Civil War and notice how the tax operated during those years. I have looked up the matter as bearing upon the bank that I represent, and I find that in April, 1865, we paid one twenty fourth of one per cent. on daily average deposits during the month, adding surplus and deducting the holdings of United States bonds. In January, 1867, we paid semi-annually one quarter of one per cent. on the amount of deposits held three months previous, less deposits of $500, and less average amount of United States bonds held during the previous six months. That, at the time referred to, amounted to between $5,000 and $15,000 semi-annually during the time that the tax was imposed. One year I think it was as high as $38,000; that was the highest. In June, 1872, a semi-annual tax of one twenty fourth of one per cent. per month on deposits for the previous six months, less average deposits of $2,000 in the name of one person, and less average of United States bond holdings during each month, which reduced it to about $2,000; and in January, 1880, by a change in the form of returns, we paid no more tax, the exceptions being more than that amount subject to tax. It seems to me that inasmuch as this one quarter of one per cent. if imposed upon all the Savings Banks of this country would result in raising but about $5,000,000, the Government might very well collect

that amount with a great deal less friction, and more simply, if it were taken from some other source.

PROPOSED TAX ON DEPOSITS

Mr. John P. Townsend stated that he had been requested to offer this resolution, which was in line with the matter under discussion:

Resolved, That the provision in the proposed amendment to the revenue bill passed by the House of Representatives and now reported by the Finance Committee of the Senate, whereby it is intended to enforce in the aggregate a tax of one quarter of one per cent. annually on deposits in banks will, in case Savings Banks are to be included under its provisions, work a grievous wrong and impose too heavy a burden upon the savings of the people.

The laws now in force properly restrict investment of deposits in Savings Banks to a limited number of the best character of investment securities, which, owing to their safety, return only a low rate of interest and are largely made up of Government, State, and Municipal bonds. The present rate of return to the depositor is small, with the certainty that it will have to be reduced still lower, while the lowering of the rate of interest paid to the depositor, rendered necessary to cover the large drain on earnings arising from the proposed tax, would seriously impair the efficiency of the Savings Bank system of the country, and tend to discourage thrift and the habit of saving on the part of the people.

We call attention to the fact that of the Savings Banks in the United States, those holding over one thousand five hundred millions of dollars out of a total sum of two thousand millions of dollars so deposited, are purely eleemosynary in their character, have no capital, and the profits all accrue to the benefit of the depositors, who are largely made up of thrifty working classes.

We, therefore, respectfully present these facts to the

members of Congress, and urge that they be carefully considered, and the Savings Banks relieved from the imposition of the proposed tax.

Resolved, That a Committee of five be appointed to go to Washington and confer with members of Congress, in committee or otherwise, and present to them the objections of this Association to the proposed legislation.

Mr. Merritt Trimble: Mr. President, I do not know that there is any difference of opinion in regard to the propriety of these resolutions, but I would like to call attention to two points that seem to me very serious ones. One is that Mr. McMahon's statement refers, for most of its period, to the time when banks were receiving from five to seven per cent. interest on their investment, and could easily make five per cent. dividends, which they cannot do now. The other point is that this tax of one quarter of one per cent. per annum is a very serious tax on the earnings of these deposits. In this State the average deposit is about $425. In this city it is probably from $450 to $500; and they receive, most of them, three and one half per cent. We pay four on old investments. Therefore, this tax, to a large number of people, who have but $450 laid up against a rainy day, amounts to a twelve and a half per cent. income tax on their savings.

The President: Does any gentleman here present remember the terms of the tax during the war that was placed upon Savings Bank deposits? It would be interesting to know that. Perhaps some gentleman present remembers it and will tell us. The Chair will state, as an impression, that the tax at that time was one half of one per cent., I think, upon all accounts, first, in excess of $500, and then the law was amended so as to make it one half of one per cent. upon all accounts in excess of $2,000, less the amount of United States Government bonds. Those would be deducted now because they are exempted from taxation.

Mr. McMahon: I think the statement read by me

is an exact copy of the law as it existed during those years.

Mr. Hart: There are no exemptions in this matter. This is on our deposits, and there will be no exemptions whatever. It is a franchise tax.

The President: Including Government bonds?

Mr. Hart: Everything. I simply corrected you because you had evidently overlooked it.

The President: I am very glad you did.

Mr. Hart: This bill provides for no deductions of any kind.

The President: Will Mr. Wooster say a few words? He was in Washington for nearly a week. I have the pleasure, gentlemen, of introducing to you Mr. Wooster.

Mr. Wooster: Mr. President and Gentlemen: It is certainly a pleasure to be here with you to-day. There are two points in this bill to which I would like to call attention: In the first provision, under which the bank pays the license tax, there is a special exemption to the effect that any Savings Bank having no capital stock, whose business is confined to receiving deposits and loaning or investing the same for the benefit of its depositors, and which does no other business of banking, shall not be subject to this tax. It would seem by this that there was a disposition to exempt Savings Banks. This suggestion was made to the Committee on Finance; but it seems now such was not the case; that this tax is proposed on the deposits of Savings Banks intentionally, and I fear that, while at present it is apparently imposed for the sake of producing revenue, in reality it will be a permanent tax. There is a disposition to place the tax permanently on corporations in the East. Throughout this bill, in all its provisions, you will find that the building and loan associations, in three or four cases, in fact in every case where the tax is mentioned, are specifically exempted; and while we have justice on our side, I fear that it may not be so easy to procure the exemption as we hope. We certainly hope that the matter may be adjusted. I fear that it cannot be done until it

comes into the conference. Mr. Dingley, in the course of an interview with him, says it is always unsafe to leave a matter to be adjusted in conference. I have nothing further to say except to assure you that I am very glad to be here.

MR. W. W. JACOBS' SPEECH

Mr. W. W. Jacobs, of Hartford, Conn., said:

Mr. President and Gentlemen: I am glad to come here from Connecticut and meet this Association. This is a side which I think is very pleasant, because it draws us together. But I look upon these matters more in a business way: that if we can get acquainted and get assistance in matters of legislation, it is of great importance to us. Connecticut pays one quarter of one per cent. state tax; and the Savings Banks, the mutual life insurance companies, and the railroads run the State of Connecticut. It is a good deal of a burden, and we do not want to pay this additional tax, which would make it one half of one per cent. We have a little more limit than your people in deposits, and for that we are thankful. So far as this new legislation is concerned, the matter is not exactly before the Finance Committee now; it is before the Senate, and if the Senate should pass this bill as amended, it will, of course, go back to the House, but the House will simply not pass it, and then a Committee of Conference will be appointed. That Committee of Conference is likely to be made largely of the members of the Finance Committee. We were told in Washington that on the part of the Senate in all probability the members of that Committee would be Senator Aldrich, of Rhode Island, who knows all about Savings Banks, and possibly Senator Allison and Senator Platt, of Connecticut. The first and last are good names, but I am in doubt a little about the position of Senator Allison. He is an extreme Western man. On the part of the House there will probably be Governor Dingley, who is a Savings Bank man and knows all about their

operations; and there is one matter in regard to which people—I don't want to use the word "ignorance," but it seems to me the people are not generally familiar with it; it is this: When Mr. Hart and Mr. Wooster and myself were in Washington and saw Governor Dingley and various Senators and Representatives, the question came up about the Savings Banks scattered all over the country. This is not a true statement; there are no Savings Banks west of the Mississippi River, and there are none south of the Ohio, unless it is a small concern in West Virginia. There are Savings Banks in Maine, but they all have shares, and they are for the benefit of the stockholders. Only fifteen States have mutual concerns like ours. These amount in number to only 666. As to California, I think there may be one up in the northern part of the State, and a few in Wisconsin. As I said before, there is a mistaken idea on this matter. The Mutual Savings Banks are institutions incident to New England, New York, and Pennsylvania, with a few in Ohio; and when you talk with legislators they say what is not at all true. My associates and myself had a work of education to do. When we met Senators and Representatives we were told that we were large concerns, making big dividends, and so forth. We corrected them. We said we represented mutual institutions; and we very soon brought them into sympathy with us. Senator Vest, of Missouri, who was deadly opposed to us at the outset, afterward joined us; also Jones, of Arkansas.

I think it would be wise if you would appoint a Committee to go to Washington to see the Senators and Representatives. I have mentioned names that will probably be on the Conference Committee. You can do a great deal of good work.

COMMITTEE TO GO TO WASHINGTON

It was resolved that a Committee be appointed to go to Washington and confer with members of Congress and present to them the objections of the Association to the

proposed legislation. The Committee consisted of Mr. J. P. Townsend, of New York, Chairman; Mr. James McMahon and Mr. Andrew Mills, of New York; Mr. Samuel R. Rainey, of Hudson; Mr. Samuel Hyde, of Syracuse; Mr. Rufus P. Birdseye, of Utica; Mr. Harris, of Utica. (President Rhoades *ex-officio.*)

It was also resolved to request Bank Superintendent F. D. Kilburn to accompany the Committee to Washington and aid in endeavoring to prevent the exorbitant taxing of Savings Bank deposits.

"SOUND MONEY"

The President then called upon Judge M. L. Crawford, of Dallas, Texas, who addressed the Convention on the then uppermost topic of "Sound Money." The address of Judge Crawford follows:

When your President was partial enough to extend to me an invitation to deliver an address to your Association our country was at peace with the world. The mutterings of a conflict could be heard, but grim-visaged war was only a probability. Now it is a stern reality. In defence of the nation's honor we are to-day engaged in a conflict with a foreign foe, and our sons, from the north, east, south, and west are marching side by side, wearing the same uniform, animated by the same patriotic purpose, and all, thank God, following the flag of the Union, with no stain upon its sacred folds, no vacant spot where a star should be. United we are invincible, and armed with the right we may bid defiance to a world in arms.

But it is not of war that I would speak to-day. There are other considerations which challenge the attention of the country—other issues involving more than the result of the war—which must be met and decided by the American people.

The unsettled and disturbed condition of the financial

system of our country demands the thoughtful and patriotic consideration of every honest heart, and we must approach the subject as patriots, animated solely by a desire to promote the welfare of all sections and all persons in every condition of life, and not as partisans, influenced by considerations of party expediency.

The question to be decided is, shall the country maintain the gold standard, using at the same time as much silver in our currency as the necessities of business and the convenience of the people require? (and not a dime more) or shall this Government adopt the free and unlimited coinage of silver at the ratio of sixteen ounces of silver to one ounce of gold, each dollar so coined to be a legal tender for all debts, public and private? which means a silver standard, silver monometallism, and nothing else; and the advocates of this measure cannot be blind to the fact that such would be the result. The only difference between the old greenbacker and the freesilverite is in degree; both are advocates of fiat money. The greenbacker wants the Government fiat printed on paper, worth nothing, and which can be carried in the pocket, while the freesilverite demands that the fiat be stamped on pig metal, the material for every dollar worth about forty cents, and which could only be carried around in a haversack.

The issue thus squarely presented must be bravely met. There must be no evasion, no attempt to deceive or mislead the people by the delusion of international bimetallism, but the advocates of the gold standard must stand by and maintain it, because it is demanded by common honesty; because its maintenance will best subserve the interest of every section and of all our people in every condition of life; because the national honor demands it. It is the standard of civilization and progress, and as long as we propose to keep in the van in the onward march of nations we must maintain it. With the gold standard we have grown and prospered as no people or nation ever prospered before. The young giant of the West, though scarcely out of the cradle, has become the wonder and

admiration of the world. Looking to her institutions and achievements, the oppressed and downtrodden of every kindred tribe and tongue direct their thoughts in the hour of their despair to this goodly land, where all men are free and equal and the oppressor's rod is broken. Shall we reverse our policy and ourselves become the oppressors and despoilers of the poor? Shall we by legislative enactment take from our people more than one half of the savings accumulated by unremitting toil and the practice of the most rigid self-denial? The experience of our revolutionary fathers with a debased and worthless currency satisfied them that the Government fiat could not make money; that there was a wide difference between a dollar and the promise to pay a dollar, and they determined to see to it that the dollars of the new republic were dollars in fact; that the metal in the dollar should be worth just as much as bullion as it was worth as coin; that the process of minting it should be simply to reduce it to convenient shape and attest its weight and fineness. In other words, that the commercial value of the metal should be the exact equivalent of the legal value of the coin. No other thought ever entered the minds of the men who signed the Declaration of Independence, who endured the hardships and misery of Valley Forge and shared the glories of Yorktown. Having learned by sad experience the evils of a debased and fluctuating currency, these patriotic men, who shed their blood that liberty might be established upon the earth, gave to us an example which, if followed, will save us from woes unnumbered.

When the mint was established, gold and silver were both coined at all the mints of the principal European nations at a ratio as near the relative commercial value of the two metals as could possibly be ascertained. As there had been but little fluctuation between the commercial value and the mint value for a long time, it was no doubt believed that the then established ratio would be maintained, and that the two metals would circulate indiscriminately; but the fact was clearly recognized that if

either metal was undervalued it would be expelled from circulation.

Ten years before the mint was established Robert Morris, the financier of the Revolution, declared that gold and silver could only circulate as money when the exact equivalent between the mint value and the market value of the two metals was preserved. These men understood the Graham Law; they knew that values were fixed by the current judgment of men, and not by the fiat of government. They never dreamed of giving a value to either gold or silver by coining it into money. It never occurred to them that it was possible to take forty cents' worth of pig metal and make a dollar out of it worth one hundred cents. That such a thing could be done seems to have escaped the observation of all our public men until about 1870, when Senator Jones of Nevada, in a two days' speech, announced it as one of the simplest problems in economics. In this speech, which is the fountain from which the free-silverites have drawn their inspiration ever since, Senator Jones displayed all the zeal of a new convert. Two years before its delivery both Senator Jones and his colleague, Senator Stewart, were earnest and eloquent advocates of the gold standard. They declared that gold was the universal standard of the world; that we must come to the same conclusion that all other people have—that gold is recognized as the universal standard of value.

In his first message to Congress President Grant declared that every obligation of the Government, unless otherwise expressed in the contract, must be paid in gold. As late as 1874 Senator Stewart agreed with the President. He then advocated the conversion of the Treasury notes into gold or five per cent. bonds. He wanted no paper money not redeemable in gold. What influences then surrounded these Nestors of the silver party? Both were largely interested in silver mining. Senator Jones and his business partner owned five sixths of the Crown Point mine, the output of which was over $4,000,000 in 1874. Silver was then worth 129 cents per ounce—sixteen to one. There

was no reason why the silver mine owner should oppose the gold standard or favor fiat money. No wonder he said in the United States Senate in 1874: "Gold is so an exact measure of human effort that when it is exclusively used as money it teaches the very habit of honesty." But in the concurrent judgment of mankind silver was too high; it was not worth 129 cents an ounce, and the price rapidly declined until March, 1876, when the market value was 110 per ounce. This decline in price represented an annual loss to the Crown Point of more than $500,000, and to the other silver mine owners of Nevada more than $4,000,000 per annum. Under these circumstances Senator Jones, in April, 1876, made his speech in the Senate, which was the beginning of the struggle for fiat money, which has been so persistently maintained ever since.

The demand for free silver did not originate on the farm or in the workshop; its cradle was the Comstock Lode. It is the offspring of greed and rapacity. Mr. Bryan, in his speech accepting the Chicago nomination, truly said: "So long as human nature remains as it is there will always be danger, more or less restrained by public opinion or legal enactment, that those who see a pecuniary profit to themselves in certain conditions may yield to the temptation to bring about those conditions." Mr. Bryan must have had the silver-producing States in his mind's eye. So long as the commercial value of silver was equal to its mint value we heard nothing of free coinage. None then were to be found to champion its cause. The sacred dollar of the daddies seems to have been lost sight of.

Prior to 1860 the production of silver in this country was insignificant; but after that time it rapidly increased, and by 1873 more than 188 millions had been dug from the mines of the United States, and of this vast sum only two and a half per cent. was coined into silver dollars, every dollar of which was sold for gold. Some of our men in public life who are to-day leading this unholy crusade for fiat money were silver mine owners in 1873. Why is it

they could not then see that nothing but the free coinage of silver at sixteen to one would save mankind from crucifixion upon a cross of gold, preserve the liberties of the people, and prevent our becoming vassals to the English money-lenders? The answer is plain. The bullion in a silver dollar is worth 103 cents in gold, and these patriots were unwilling to lose the three per cent. The mint was open to free coinage of silver; they refused to take their 188 millions to it when silver was at a small premium, and they now demand the right by law to have not only their own silver, but all the silver in the world coined at the mint and the people of this country compelled to take it at par with gold when in fact one gold dollar is worth intrinsically nearly two and a half dollars in silver in all the markets of the world. In justification of this monstrous proposition its advocates say that the free coinage of silver will at once raise the price of that metal to 129 cents an ounce and thus restore its parity with gold. Do the leaders believe it? Are they sincere when they make this declaration to the American people? I appeal to the record. During the campaign of 1896, Mr. Bryan, in a signed statement published in the newspapers, admitted that free coinage at sixteen to one would vastly depreciate the deposits in Savings Banks, but claimed that depositors would be more than compensated for their loss by the increased value which free coinage would give to their other holdings; that the value of life insurance policies would be reduced, but that the holders of the policies would be more than compensated by the reduction in the premiums they would have to pay.

Professor Parsons, of the Boston University of Law, an earnest advocate of free silver at sixteen to one, in an article published in the *Arena*, said that the results of such a measure would be the retirement of $500,000,000 or $600,000,000 in gold from our monetary resources—a vast gift to the owners of silver mines and silver bullion here and abroad, the temporary scaling down of salaries and wages, injustice to creditors in respect to all debts

contracted in recent years under the present standard, including depositors in Savings Banks.

How could depositors in Savings Banks be injured or the value of their deposits diminished by the free coinage of silver if the silver dollars remained as good as gold dollars? No one but a freesilverite can tell the reason why. Mr. Bryan's statement that the increased value of their other holdings would more than compensate the depositors for the diminished value of their deposits is a mockery. You gentlemen know that in nearly every instance the little bank account is the depositor's all. Look at the Bowery Savings Bank with its 114,000 depositors, the largest but $3,200 and but two which amount to $3,000, while the average is but $512. What outside investments have these people which will be benefited by adopting the financial theories of the friends and advocates of fiat money? It is safe to say that a proposition to destroy more than one half of the deposits in our Savings Banks, squarely submitted to the popular vote of the American people, would not prevail in a single county in the Union, and yet the advocates of free silver practically admit that such would be the effect of its adoption. Could this Government lay the hand of despotism upon our Savings Banks and take from their coffers money enough to pay the public debt, it would be an act of spoliation and oppression unparalleled in the history of the world. Still, such an act would not inflict as great pecuniary loss upon the 4,000,000 of wage-earners, whose savings have built up and who own the Savings Banks, as would the free coinage of silver at sixteen to one. The advocates of this measure, loaded down as it is with injustice and dishonor, call themselves disciples of Jefferson and Jackson. When the mint was established, Mr. Jefferson, as well as all the public men of the time, recognized the necessity of maintaining the exact equivalent between the legal value of the coin and the market value of the metal from which it was made. General Jackson with his own hand signed the bill which restored to this country the gold currency driven

from our shores because gold was worth more in the market than it was at the mint. If the old hero were alive to-day you might as well look for him in a secession convention as in a free-silver caucus.

These advocates of fiat money—bimetallists as they call themselves—tell the people that the decline in the price of silver is attributable alone to the "crime of '73," and that to adopt free coinage at sixteen to one will at once advance the price to 129 cents an ounce and restore the parity between the two metals. They simply make the assertion, but fail to state a single fact upon which their belief is predicated. The experience of all nations is against them. We have tried the experiment and failed. No free coinage country on the earth to-day uses gold in its monetary system. All free coinage countries are on the silver standard. No nation on earth has ever been able by free coinage of both gold and silver at any ratio to maintain the exact equivalent between the mint value and the commercial value of the two metals. Every attempt to accomplish this result has failed. The metal which is undervalued at the mint always retires from circulation. By ignoring the experience of the past, these latter-day bimetallists insist that no problem in economics is easier than to bring about the concurrent circulation of both gold and silver as money of redemption at sixteen to one. There can be no doubt but that the rank and file of the free-silver advocates who have been educated into this belief by the party leaders are honest in their convictions, but it takes a large stock of human credulity to make us believe that the leaders, when they set at defiance the experience of this and all other countries where the experiment has been tried, are themselves sincere. What they fail to gather from the experience of all nations they attempt to supply by organization and persistency. We have yielded too much already. There must be no more compromises. The Government has lost more money in the purchase of the uncoined silver in the treasury than would have built and paid for twenty first-

class battleships. While the shouts of Admiral Dewey's heroic crew were going up from Manila announcing a glorious victory for the American fleet and proclaiming a change in the map of the world, the demand comes from the freesilverites in Congress to coin the seignorage and issue one hundred and fifty millions in treasury notes. It is to be hoped that no such measure will prevail. We have more than enough demand obligations outstanding against the Government. We don't want to fight this war with fiat money. We have got the gold right here in the hands of our own people to maintain our armies in the field and our ships afloat. Our people have the patriotism to hand over to the Government gold enough to meet its every want. They say that gold is cowardly and hides before the echoes of the first hostile gun have died away. I deny it. Our people, rich and poor alike, offer the Government more than it has need for. If during this conflict gold disappears it will flee from vicious legislation and not from Spanish bullets.

If the advocates of free silver and other forms of fiat money could get control of this government they would drive every dollar in gold from our monetary system, but hostile guns can never do it.

The importance of maintaining our present standard of value cannot be overestimated, and the most serious evil affecting our monetary system is its threatened degradation. The gold standard must be preserved, and our obligations, public and private, discharged with reference to it. This question rises higher than party considerations. The friends of honest money and honest methods must not, for the sake of party regularity, by their votes help fasten upon this country a policy which their judgment tells them will ruin it. Mr. Jefferson said that the surrender of one's convictions upon great questions of public policy at the mere behest of a political caucus was the last degradation of a free moral agent; that if he could not go to heaven without going with a party he would not go at all. Without regard to past party affiliations, we

must oppose every man who favors repudiation in any manner, shape, or form, of either public or private obligations. It is just as reprehensible in morals for the Government to repudiate a part of its debt by paying it in a depreciated currency as it is to openly repudiate the whole. Whatever virtues the advocates of free silver may claim for it, its adoption means the repudiation of more than one half of every debt in this country not specifically payable in gold, whether public or private, and they are bound to know it. But it will never be. Silver to-day occupies the same relation to the commercial nations of the earth that slavery did to the civilized and Christian nations in 1860—supported by a fraction in the United States and condemned everywhere else. Under such circumstances its fate as a money metal is doomed.

If we have the courage of our convictions and stand up and make a bold and manly fight for the single gold standard, we cannot fail. My faith in the virtue of the American people is unshaken; they are too brave to be dishonest. They will never consent to take from the savings of the poor man that one thousand millions of dollars, nearly every dollar of which vast sum has been earned by the sweat of some toiler's face. They will never consent that the obligations of the Government, created in defending its life and preserving the integrity of the Union, shall be paid in a depreciated currency, but the time will come when the great heart of the nation will respond to the noble sentiment of General Hawley, uttered thirty years ago: "Every obligation and every bond of this Government must be as sacred as a soldier's grave."

POSTAL SAVINGS BANK

The following are extracts from the address of Col. Myron T. Herrick, Cleveland, Ohio, on the subject of "Postal Savings Banks."

. . . .

Were we to admit the truth of the statements made, the existing conditions would not warrant the establishment

in this country of a postal banking system. We have an unexampled Savings Bank system which has been slowly building on a stable foundation for more than a century, inspired by the same unselfish spirit of patriotism as actuated the builders of the National Government, and its marvelous growth and the fidelity with which the savings of the frugal and thrifty laboring millions have been cared for are thus readily explained. It had for its objective the encouragement of thrift and independence, and in its inception and consummation it has had the unsolicited, gratuitous services of men of well-known ability and experience. That this vast trust, aggregating in value more than two thousand millions of dollars, has been faithfully administered, and that the power has been exercised by these comparatively few men with justice and even benevolence, is uniformly admitted. The system, while not perfect, has so broadened its scope and possibilities as to adapt itself to the varied needs of the people in all sections of the country. When compared with the origin, development, and government of the Savings Bank systems of other countries, the vast proportions which it has assumed lend to it a peculiar significance, indicating that the benevolent motives from which it sprang resulted in the building of an enduring structure adapted to the need of the masses.

Of our institutions for savings the earlier ones were mutual and coöperative in character, having no capital stock. Of this class of banks there are now some 688 in number, and their total deposits and resources amount, I believe, to about eighty-eight per cent. of the deposits and resources of all savings institutions. Nearly or quite all of these earlier mutual institutions are still in operation.

Naturally the first Savings Banks were established in the East near the centre of population, travelling westward and southward with the country's growth in compliance with the law of supply and demand, and as the need of such new territory called for such institutions they were promptly organized. It is a well-known fact that in newly settled

countries there is practically no idle capital, earnings are immediately reëmployed, and business is carried on largely with capital borrowed in the East. The borrowing side of a bank in a new country has early an abnormal development, but the savings or deposit side comes only with the accumulation of years, and cannot be forced. It must be admitted that the deposits in those banks could not have reached the vast proportions had not the money so deposited been immediately loaned back to the people, thus becoming one of the chief factors in the development of the country.

Governmental supervision has, in the case of national banks, proved to be of great value to the people, the Government assuming no ownership in their business; and it would seem that a similar policy of oversight of the savings institutions of the country would be of equal benefit, if for no other reason than to establish a uniform system of examination which is now left to the varying laws of the different States.

I believe that, as a rule, the banks throughout the country have interposed little or no opposition to these postal savings schemes. . . . But they cannot see how the interests of their depositors can be served by placing these deposits with the postmasters throughout the country, whose terms of office are unstable and subject to frequent changes, and who are not generally appointed because of any aptitude for the banking business. The bankers cannot see how these deposits would be surrounded with any greater safeguard stowed away in the depository of some crossroad postmaster than if they were resting in the custody of the Savings Banks in highly efficient burglar-proof vaults provided especially for their keeping. Nor can the banker from his point of view appreciate the argument of the postal savings advocate that greater freedom of circulation is to be given these funds by their transfer from the numerous banks throughout the country to the Government centres, thus depriving the localities from which the deposits may be collected of the present legitimate use of

these funds. John Doe is a laborer, and has bought his little home, giving therefor in part payment a purchase money mortgage of, say, $500, held by a savings institution. The moral and other benefits of the postal system have so impressed the depositors in that institution as to prevail upon them to withdraw their deposits, where they have been at interest for a generation, and to redeposit that money with the postmaster at a loss of fifty per cent. in interest. To meet this extraordinary demand the bank must call its loans. John Doe and others are called upon for settlement. He must either pay or suffer his property to be sold in foreclosure. In this scheme to "elevate the moral tone, to create defenders of the credit and stability of the Government, to encourage thrift in remote parts of the country," does the Government propose to protect John Doe, to loan him the $500, taking to itself a mortgage on his home, and if Doe defaults in the payment of principal or interest, or if he fails to pay his taxes, will the Government foreclose and sell the property? and if there are no bidders, will it buy Doe's house and lot? . . .

If there is any one doctrine which has been instilled into the minds of the American people for successive generations, since the landing of the Pilgrim Fathers to the present day, it is that of personal liberty and independent control of private property.

America owes her greatness to her freedom—an independence gained by hard-fought battles. Her soil has been enriched by the blood of patriots, from which alone can spring such institutions. We may be a nation of farmers and laborers, of merchants and manufacturers, of shopkeepers and money-changers, with no leisure class, yet we have a national consciousness which is penetrating art and literature; and from our narrower beginnings we are ever rising to broader and higher comprehensions of what constitutes the fundamental doctrines of a free and independent nation, and these we are ever ready to maintain. It is hoped that this country will move steadily on, increasing in prosperity and wealth, and that the Govern-

ment will carry to a legitimate conclusion all its great policies, and particularly the one of placing the currency of the country on a sound basis, permanently retiring from the banking business, satisfied to continue to exercise a watchful care over the business and commerce of the country, avoiding the engaging in trade of any kind whatsoever foreign to its purpose.

ADDRESS OF F. D. KILBURN, SUPERINTENDENT OF THE BANKING DEPARTMENT

Superintendent F. D. Kilburn, addressing the Convention, said:

It is seldom that men gather together to the number that are here assembled to-day who represent such vast interests as are represented by the Savings Banks Association of this State, and who represent those interests in the peculiar way that they are represented by you. You come here not representing your own capital or your own money, nor the capital or money of people with whom you are associated in business, but you come here as benefactors of the great masses of this State, representing the savings of the common people, having no interests whatever in those savings yourselves except to preserve them safely and invest them safely. I do not believe that any other country in the world, perhaps, can present a system of benevolence so far reaching as the Mutual Savings Bank system of this country is recognized to be. The only interest which you have, in a pecuniary sense, is the moderate salary—and I pronounce that word advisedly—which you are paid for the great services which you perform. I have been charged by irresponsible people with being in collusion with the Savings Bank people of this State. You have been held up as monsters of greed and selfishness, and I have been pointed to as your subservient tool. If I am no worse as your tool than I believe you to be in your greed and selfishness I am content. As I had occasion to say, last year, and as I would like to repeat

whenever the occasion seems to warrant it, I do not believe that there is a class of men doing more good anywhere in this country than the men who govern our Savings Banks. The very idea with which they were established was that of benevolence, not charity, because they are not charitable institutions, and the people who deposit in our Savings Banks are not subjects of charity. They are independent, law-abiding, patriotic citizens of this vast commonwealth of ours. But the institutions are benevolent, and as such are doing a great work, for which we have no other machinery, that I know of, in this country. I was glad to hear the suggestion made here to-day that a Committee be appointed to go to Washington for the purpose of opposing the proposed bill to tax deposits of Savings Banks. Now I do not believe that depositors in the Savings Banks of this State or any other State will object to paying their fair share of the expenses of waging war against Spain or any other country with which we may have war; still, I believe that it is entirely wrong and uncalled for that they be especially singled out for the purpose of taxation for this or any other purpose.

At the most, this Government cannot obtain more than five or six million dollars by the proposed tax upon Savings Banks. This State would have to pay perhaps from one and three quarters to two million dollars of that sum. Now that is a large amount to the depositors of this State, whose deposits only average about $430, and is a very small sum, a mere nothing, to this great, rich country of ours; and I believe that the proposition is wrong in principle even, that these deposits of the poor people of our country should be called upon—under the prosperity which we enjoy and the vast resources and the enormous riches which we possess in this country—be called upon to pay anything, until the necessity arises, toward the prosecution of this war. I tell you, gentlemen, the people who own the deposits in our Savings Banks will do sufficient in putting down this war by the sinews they will contribute to the conflict.

I do not dare say too much on an occasion of this kind, for fear I may say something that I may have to take back, because sometimes, you know, the Superintendent of Banks of this State finds something that he does not exactly approve and that he must criticise, and I do not want you to have the opportunity to tell me that I said something else on some occasion which rather commits me perhaps against any other action. I would like to call attention to two things which are of somewhat minor importance, and yet which give me some concern and inconvenience as Superintendent, and I don't think I will ever have a better opportunity to say it to so many people representing Savings Banks as I have here to-day. One of the questions before us is that of dormant accounts. There is not a uniform system in this State among the Savings Banks of making accounts dormant. I know of one bank that makes them dormant after eight years. I know of several that make them dormant at twenty years. Now you have no right to make such accounts dormant until twenty-two years have expired; that is the law, and if you make it twenty years or eight years, or any less number of years than twenty-two, you have violated a law, and it becomes my duty to call your attention to it. Many of the banks have by-laws which provide that accounts shall become dormant at the end of twenty years, and some of them have a less term. Where I find instances of that kind I try to correct them and have the by-laws amended and the practice established. I wish you would remember that, and if any of you are making accounts dormant at a period less than twenty-two years, to correct it at once.

I cannot sit down without complimenting the Legislature of our State upon the way that it has looked upon the bills which you and myself regarded as objectionable and which are always introduced in the Legislature of this State at least; and I think most of these bills are introduced through ignorance of the system of Savings Banks in this State. The men who introduce them usually have

no sinister motives behind them, but they think—I believe they think—at least in a majority of cases, that they are subserving, or trying to subserve, some great public demand when they introduce the bills which they do; and I have found that when you explain to the ordinary legislator the true inwardness of a bill, in nine cases out of ten you get him with you. When they see the facts connected with the bill and the effect that it may have upon the vast interests which you gentlemen represent, they are generally easy to convince. Your Executive Committee will bear me out, generally, at least, in the statement that I make in this direction. I know this last winter we had very little trouble in the main in convincing the Legislature that certain bills which we thought ought not to pass should not pass.

RESOLUTIONS ADOPTED

The following resolution offered by Mr. Wm. C. Sturges, President of Seaman's Bank for Savings, and seconded by Mr. Bradford Rhodes, President of the Union Savings Bank of Westchester County, was adopted:

Resolved, That the welfare of the millions of thrifty working people whose interests we serve demand that the currency of the country shall be based upon a standard of gold, and be kept at all times upon a parity with gold, and that in our opinion their interests have suffered and continue to suffer owing to the distrust caused through efforts made to force in circulation unlimited coinage of silver. We therefore view with satisfaction the introduction into the House of Representatives of a Currency Reform Bill, designed to alter existing conditions, and to enlarge and readjust the powers of the banking system now in operation. This bill, in our judgment, should receive the support of all members of Congress, and we respectfully urge that every effort be made to secure its enactment into law.

The following, offered by Mr. Bradford Rhodes, President of the Union Bank of Westchester County, Mamaroneck, was adopted:

Resolved, That we heartily endorse every earnest effort made to increase facilities for the encouragement of thrift and the habit of savings on the part of the people. We believe that the gathering together and the proper utilization of the surplus earnings of the masses will add greatly to the process of development of the resources of the country and to the growth of a spirit of contentment on the part of the working classes. We have faith in the eleemosynary system of Savings Banks now in operation in many of the States of the Union, and believe that in the extension of this system is to be found the true solution of the question at issue. We have no hostility to the principle involved in the establishment of Postal Savings Banks, but we do not believe that such a system is adapted to a republican form of government—the policy of which is to diminish rapidly rather than to increase its public debt—owing to which there remains no adequate form of investment for the savings of the people in which the Government can properly make investment. We do not believe that, under frequent changes of political control, and in sparsely settled portions of the country, the agents employed to receive and disburse moneys would be found capable to satisfactorily perform such task, and we do believe that the savings thus collected, which in the aggregate, and in time, must reach a very large sum, should not be withdrawn from the sections where collected, but should remain and be properly used to assist in the development of such sections, as has been the case under the system of Savings Banks now in operation. For these reasons we are opposed to the principle of Government Postal Savings Banks now being urged upon Congress.

The following resolution, offered by Mr. John Harsen Rhoades, President of the Association, was adopted:

Resolved, That the presence here of representatives of leading Savings Banks in the State of Connecticut has been a source of great pleasure to us, and we express the hope that our interests, identical with each other as they are, may lead to closer relations between their banks and our own, to be extended until we embrace in a common brotherhood the Savings Banks of the entire country.

CHAPTER VI

Sixth Annual Convention—Movement Toward the Enlargement of the Scope of Savings Bank Investments—Successful Efforts to Eliminate all Reference to Savings Banks in the "War Revenue Bill" as It Passed Congress—Taxation of Deposits—Lessening the Number of So-called "Dormant Accounts"—Address of Superintendent Kilburn—"The Relation of Savings Bank Deposits to General Business," by Hon. Charles S. Fairchild—"The Power and Beneficence of Capital," by Prof. Wm. G. Sumner, of Yale University—Special Meeting Called to Act on the So-called "Stranahan Bill"—Legislative Hearing on Tax Bill.

IN opening the proceedings of the Sixth Annual Convention of the Association, held at 32 Nassau Street, New York, on Wednesday, May 10, 1899, President John Harsen Rhoades said, among other things:

Gentlemen: By your kindness and courtesy elected your presiding officer, it is with a feeling of sincere pleasure that I welcome you once again to the annual meeting of our Association and to the hospitalities in which we here all share.

When I think of the many years which the officers of Savings Banks in this State have allowed to pass without affording an opportunity to know one another better, and to consult with one another upon questions of vital importance to the welfare of the cause we serve, I hold all the more precious the years that remain to each of us, and look forward to these recurring meetings somewhat as old friends do with one another in the joy of the oncoming after a long separation. The work of the Association, devolving as it does largely upon your Executive Committee, renders it difficult to realize how much has been done,

and that this Association is in reality an active, forceful, and valuable agent in fostering the best interests of our depositors, and yet the fact remains that were it not for our united effort we would quickly find that the Savings Bank system in this State was being undermined by bad laws, corruptly or ignorantly created, and we would fail to secure the passage of good laws needed to strengthen and extend the beneficent influence of these great eleemosynary institutions.

The report of your Executive Committee will give you the skeleton of the work done during the past year; but it cannot give you the details, or count the days and hours given to accomplish what is thus outlined; and for this reason I cannot allow this opportunity to pass without telling you how much we are indebted to Mr. Rainey, Chairman of your Executive Committee, for his share in this work. Watchful, earnest, intelligent, and faithful, your officers have leaned on him for counsel and direction, and have recognized that largely to his effort is due whatever of success has crowned our efforts during the past year.

In the annual report of the Comptroller of the State, in giving a statement of the debt of the municipalities, he called attention to the fact that he had been unable to secure reliable data as to such indebtedness, and had been compelled to rely largely upon statistics, given to him second hand, for the correctness of which he could not vouch. He found from the returns as made by officers of the municipalities, and the figures collated elsewhere, that the municipal debt of the State amounted to four hundred and twelve millions of dollars. In view of the fact that the Savings Banks are carrying one hundred and eighty-one millions of dollars of this debt, it seemed to me a matter of vital importance to our interests that such a condition of ignorance as to the municipal indebtedness of the State should in some way be remedied, and that this Association should lend its efforts to secure such additional legislative action as is requisite to regularly supply

this needed information—for it is needed, both as a guide in making investment in these securities, and as a check to extravagance on the part of the municipalities themselves. To this end I called the attention of the Superintendent of the Banking Department to the statement made by the Comptroller, and sought his aid in obtaining such information as was available for comparison. Mr. Kilburn at once saw the importance of the subject, and immediately undertook the work of analyzing that portion of such debt carried by the Savings Banks. Comparing these figures with those collated by the Comptroller, they show some facts which go to prove the absolute need of the reform suggested; but, in giving these conclusions, it must be borne in mind the Comptroller has stated clearly that his figures are based only upon the best knowledge he could obtain, and, therefore, that they could not possibly be correct in every instance. Comparing, then, the amount of debt for each municipality as given in his statement with that carried by the Savings Banks, and basing the per capita indebtedness of each municipality referred to upon the population as given in the census of 1890, these facts appear:

The banks are carrying the bonds of 206 towns and villages to the extent of about five and one half millions of dollars, the indebtedness of which is not reported at all by the Comptroller. They are carrying either the entire debt, or within fifteen per cent. of the entire debt, of 219 cities, towns, counties, and villages in the State. There are thirty-two municipalities in which the banks are carrying more bonds in amount than the entire debt of each as reported by the Comptroller. Now as to the question of the per capita indebtedness of some of these municipalities.

Leaving out the smaller municipalities included in the Greater New York, and also quite a number of which, for lack of knowledge as to debt, I have been unable to make comparison, I find that there are at least sixteen having a per capita indebtedness of between $50 and $60; eight

$60 to $70; three $70 to $80; five $80 to $90; one $90 to $100; one $100 to $110; one $110 to $120; three $130 to $140; one $150 to $160, and two $210 to $220.

This examination also shows some interesting figures as to the debt of some of the smaller municipalities embraced in the city now called the Greater New York, and it may be well to give these figures as going to show the enormous volume of per capita indebtedness on the part of some of these small municipalities, a large proportion of which was created just prior to consolidation. These figures are as follows: Four have a per capita indebtedness of $60 to $70; one $80 to $90; one $100 to $110; three $120 to $130; one $130 to $140; one $180 to $190; two $220 to $230; one $260 to $270, and one over $500. And nothing could have saved some of these towns and villages from bankruptcy but the fact that the burden of debt is now being borne by the city at large. Leaving out the City of New York and a few large cities through the State, a few moments' consideration only is needed to convince any prudent investor that a per capita municipal indebtedness of $60 to $220 is altogether too heavy a burden to carry, especially for towns or small villages. Think for a moment of a municipal debt of $160 upon each man, woman, and child within the precincts of a small community like a village. If the figures upon which these estimates were based were thoroughly reliable, we might well feel anxious over the situation. There is, however, enough truth in the statement made to demand not only our attention but that of the public, to the end that better knowledge of the municipal indebtedness of this State may be at all times obtainable.

This is a debt-creating era in the history of our country, and the growth of municipal indebtedness, not only in this State but all over the land, should be carefully watched.

And what is the remedy? There ought to be some department of the State (and that of the Comptroller is the proper department) to which should be sent annually a

sworn statement, signed by the proper officials of each municipality, giving the exact condition of the indebtedness of each, and the amount applicable as a sinking fund; and a failure to make such an annual statement should constitute a misdemeanor. In addition to this, in view of the laxity and want of method in keeping the accounts of many of the municipalities, especially those constituting a small population, which laxity and want of method have been repeatedly shown when investigations have been made by those purchasing bonds, and which, I think, has been publicly stated by the Comptroller of the City of New York in connection with his effort to arrive at the debts of some of the smaller municipalities now embraced in the Greater New York, there should be some uniform system of bookkeeping, so far as the general basis is concerned, which should be required and enforced throughout the State. We must bear in mind that the Savings Banks, as I have already said, are carrying one hundred and eighty-one millions of the municipal debt of the State, and that the moneys in our charge are largely made of the savings of the masses in our population. If these thrifty workers, through our hands, become the greatest loaners to our municipal departments, and thus contribute so largely to the welfare of the public as they do, then they have a right to demand at the hands of the Legislature such protection as will enable those who act for them to be advised in detail at all times of the condition of the municipal debt of each municipality.

During the past session of the Legislature a bill has been passed enlarging the scope of investment of the funds in our charge. This measure, after careful consideration, was approved by your Executive Committee. The need for an enlarged scope of investment is keenly felt. The municipal bonds of our large cities are being absorbed in all directions, both within and without the State, and the demand has extended throughout the Middle West, and even beyond that, while the exemption from liability to taxation embodied in the bonds of New York City and

elsewhere has opened up a new and large competition both from individuals and corporations. The demand for loans secured by mortgage on real estate has increased so largely as to exceed the supply throughout the farming districts, and moneys from the interior have been sent for investment in loans on real estate in all the larger cities; while in view of the high price for the securities of the general government the banks have found it extremely difficult to obtain such securities as are quickly available in periods of mercantile depression and consequent sudden drain for deposits; for it must be borne in mind that our deposits are at all times subject to payment on demand, and in consequence our available resources, quickly convertible into cash, should be ample at all times.

For these reasons (and many more might be given) it seemed wise and expedient that your Executive Committee should favor a proper bill widening the scope of investment; but, in doing this, we are well aware of the importance and the necessity of preventing the admission of securities not regarded as of the first quality, both in credit and security, and of opposing with all the powers we possess any and all efforts to force upon the banks more securities than prudence, safety, and the needs of the hour demand. Against this tendency we must all stand as firm as a rock.

And now, gentlemen, I have spoken too long and said too much. Permit me, however, in closing, to add a word about yourselves: Let us remember that the Savings Bank in its essence and purity was founded as a means to lessen pauperism and as incentive to thrift. Let us not forget that it rests upon foundations born of philanthropy. No selfishness, no greed, no profit to ourselves must be the motto which marks our administration of this great and solemn trust. Our trustees are chosen from those who are willing to serve the public for the public's good and for no other purpose, and the well-doing of the charge we have assumed is the only reward we

can expect to receive and the only reward we should wish to receive.

When I think of the work we are doing—how, through our effort, we cause joy to dwell in the homes of the poor and sorrow to rest less heavily upon those to whom it must and will come—when I realize how, through our efforts, we are encouraging thrift, lessening poverty and pauperism, and, by the free will of the humble toiler, gathering together his little capital until, by the combined force of partnership, he becomes a great power of wealth throughout the land; wealth, the purest and best in quality, blessed at its birth as it is by the sweat which comes from honest toil, and then giving it out in great volume to help create, build up, extend, and render more secure the grand commonwealth we call by the dear name of country—when I think of these things I realize that we are in truth doing something for our fellowmen that is well worth the doing, and that in the serving we have a reward more precious than gold or silver in the consciousness that we are helping uplift the race upon a higher, a better, and a nobler plane.

Let us, therefore, work not for the day, but for the morrow, remembering that what we build we build both for the day and the morrow. It is in this spirit and with this aim in view that our work should go on, and unless we do this work unselfishly, without profit to ourselves, and in the pure spirit of philanthropy in which such work was created, we will sow the seeds of distrust among the people, and eventually the system itself will break down.

They are alone for the working classes, and for those incompetent, through experience, to care for their savings themselves. The thrifty workers, the widow, and the orphan are alone entitled to the privileges and benefits here granted. The State has wisely exempted these deposits from taxation, and we must see to it that we do not allow those able and competent to take care of their own moneys to use the banks as a refuge for the purpose of avoiding liability to personal taxation. Unless we do this, the

time will surely come when the burden of taxation will also be laid upon the banks, with the sure result of causing the withdrawal of the moneys deposited by those who have no moral right to use the banks, and leaving the burden to be borne by those the least able to bear it. Such has been the experience in all efforts to enforce personal taxation at large, and the same result must and will follow any attempt to tax the small savings of the poor.

The Savings Bank in its various forms has thus far proved to have been one of the greatest agencies at work in the civilized world to improve the condition of the laboring classes and make available their small savings for the purpose of creating wealth, by which the State and the Nation are greatly benefited. Therefore, let us see to it that, so far as the great State of New York is concerned, we will do our own share in strengthening and maintaining in all its purity this great agency for good of which we are the directors, and the development of which marks an era of advanced civilization and of higher conception of what man owes to his brother man.

REPORT OF EXECUTIVE COMMITTEE

Extracts from the report of the Executive Committee follow:

At our last annual meeting a Committee was appointed to visit Washington and urge upon Senators and Congressmen the injustice of the proposed war revenue tax on Savings Banks. This Committee, immediately upon the adjournment of the meeting, arranged to carry out your instructions, and with Superintendent Kilburn went to Washington the following week, where they were joined by Colonel Myron T. Herrick, of Ohio, Mr. Henry R. Wooster, of Deep River, and Mr. A. E. Hart, of Hartford, Conn.

After preparing a very careful statement of our case, your Committee sought and obtained interviews with

members of the Finance Committee of the Senate, and of the Ways and Means Committee of the House. Senators Platt and Murphy of this State took the matter up with great interest and assisted in placing us in communication with members we desired to see. Our friends from Ohio and Connecticut were of much service. The result was an entire elimination of all references to Savings Banks in the "War Revenue Bill" as it became a law.

The taxation of Savings Bank depositors has been a subject that has occupied the attention of your Committee for two or three years past, owing to the attitude of the State Tax Commissioners, who were controlled by an opinion written by a Deputy Attorney-General, that deposits were subject to taxation at the same rate as other personal property. Two years ago we obtained from George W. Wickersham, Esq., of Strong & Cadwallader, an opinion which was sent to the members of the Association. A year ago a circular was sent giving the decision of Judge M. L. Wright.

Later, a case was tried in the Second Judicial District, and the Judge rendered a decision that deposits were subject to taxation. This case was appealed to the Supreme Court, Appellate Division, Second Department, and the decision of the Court below was affirmed. Before this decision was made public, the State Tax Commissioners brought an action against the Assessor of the City of Kingston to compel him to place depositors in Savings Banks in that city on the tax rolls. The motion was argued before Judge Edwards, at Hudson, who followed the decision of Judge Wright, and denied the motion. The Tax Commissioners appealed to the Appellate Court, Third Department. Your Executive Committee, feeling that the matter was of grave importance to our banks, employed Mr. Wickersham. Through the kindness of Corporation Counsel John W. Searing, of Kingston, Mr. Wickersham was allowed to come into the case as counsel, and appeared before the Appellate Court. The decision of this court was an affirmance of Judge Edward's action. We thus

had a decision of the Appellate Court of the Second Department, that depositors in Savings Banks must be taxed, and a decision of the Appellate Court, Third Department, that they were not subject to taxation. The Tax Commission appealed to the Court of Appeals, and on March 14th this Court of Final Jurisdiction rendered a decision that depositors were exempt.

During the year the case of the Assessors of the City of Newburgh against the Newburgh Savings Bank has been carried through the Appellate Court and Court of Appeals, in both of which courts Judge Hirschburg's decision, that the bank was not subject to taxation on its surplus, was affirmed.

An effort has been made by your Committee to bring all the Savings Banks of the State into the Association, with the result that nine (9) banks have joined during the year, making a total of one hundred and thirteen (113).

We are sometimes asked by members of the Legislature who are friendly to us what steps are taken by the banks to ascertain the whereabouts of the legal owners of accounts, and what action, if any, is taken to prevent accounts from being dormant. The only answer that can be made is that each bank proceeds in its own way, that there is no prescribed course pursued, but that all banks endeavor to have the accounts already dormant made active, and efforts are made in every bank to prevent accounts from becoming dormant. If, however, there is a single bank in this State that is not doing its utmost to discover the owners of its dormant accounts, your Committee would earnestly urge the officers of such bank to take the matter up with a strong determination to leave nothing undone to find the rightful owners.

On February 18th Senator Krum introduced a bill amending the law relating to Savings Banks, allowing the purchase of first mortgage bonds of any railroad company incorporated under the authority of any of the following States: "New York, New Jersey, Pennsylvania, Ohio,

Michigan, Indiana, Illinois, Kentucky, Iowa, and Minnesota, whose road is located wholly or in part in any of the same, and has earned and paid regular dividends of not less than four per centum (4 per cent.) per annum in cash, on all its issues of capital stock, for the ten (10) years next preceding such investment," etc.

A meeting of the Executive Committee was called at once for the consideration of this bill, and it was promptly decided to oppose the bill in this form. The result of this opposition was the amended Krum Bill, which permitted the purchase of the first mortgage bonds of certain specified railroads.

This bill became a law April 22d, and was sent to the members of the Association at once.

The reappointment of Superintendent Kilburn was a cause of unfeigned satisfaction to every Savings Bank officer in the State, and for this appointment we owe Governor Roosevelt our heartiest thanks. All that your Committee needs to say of Superintendent Kilburn is that he has shown the same devoted interest in everything that relates to the welfare of the depositors in our banks, and the same uncompromising opposition to everything that could possibly injure, that has characterized his whole administration.

In view of the large number of bills that have been introduced each year that would, if they became laws, prove disastrous to our banks, it is a source of hearty congratulation that Senator L. H. Humphrey, of Warsaw, was again appointed Chairman of the Committee on Banks. He has proved himself to be an able, honest, and efficient legislator, and has been of invaluable assistance to your Committee for the past four years.

In the Assembly Mr. James B. McEwan, of Albany, was Chairman of the Committee on Banks. His honesty and good judgment were apparent in his action on bills affecting our banks, causing him to throw the weight of his influence against every measure calculated to injure in any way these institutions. Your Committee was given

a patient hearing on every measure, and received from Mr. McEwan only courteous treatment.

(Subsequently, Mr. McEwan became Mayor of Albany, and Trustee of the National Savings Bank of Albany.)

DORMANT ACCOUNTS

The Chair called the attention of the meeting to that portion of the report of the Executive Committee referring to dormant accounts, so called, and suggested that the subject be taken up and discussed, in order to ascertain whether, as an association, it was not possible to devise some means by which these accounts could be constantly lessened, rather than increased.

In furtherance of the subject, the Chair called upon Mr. Bryan H. Smith, the President of the Brooklyn Savings Bank, to give in detail the system adopted by that large institution, containing deposits amounting to between thirty and forty millions of dollars, by which it had now only $11,000 of dormant accounts.

Mr. Smith said: I am rather surprised to be called upon to say anything about this matter, but by chance I happened to mention it to the Executive Committee, and your President has asked me to make a short statement of the system employed by the Brooklyn Savings Bank in regard to dormant accounts. This bank is seventy-three years old and has about thirty-three million dollars of deposits, and, as he said, the dormant accounts, as reported this month, amount to $11,000. I will say that a large number of these accounts are under $10. The system was begun, before I was an officer of the bank, in rather a crude fashion, but the results have proven to be very beneficial. Since I have been in the bank I have inaugurated new measures to make the system more perfect, and I have a statement here of the result. The system

has been to draw off in a blank book all accounts in a certain year in which there has been no transaction. There is a signal on the ledger which shows the last date at which an entry was made, either of a deposit or a draft, or the writing up of the interest. That last date determines the entry in that blank book for that special year. Then the clerks, at their convenience, hunt up the residences, or the latest known residences, of those persons whose names appear in the accounts and in the blank books, and send out a printed notice asking the depositor to appear at the bank and have the interest entered.

Of course, having commenced so many years ago, the work is comparatively light now to what it would be if the same work was commenced anew, particularly in large banks. In the year 1877—up to this year, when the accounts for that year became dormant, being twenty-two years old—there was one account added; in 1878 there were five inactive accounts. I will say that there are 60,000 accounts in the bank. In that year, 1878, every account is active, except five, which are not. We go on from 1878 down to 1892, which is the last book drawn off. The active accounts stand at five, twelve, twenty, fifteen, twenty-nine, twenty-seven, forty-three, forty-two down to 1890, in which year there are 158 inactive accounts. The year 1892 has 215, and 1893, 163. Out of 2,744 notices sent out, 1,564 of these accounts have been made active in consequence of these notices, and there remains now only 1,180 for the twenty-one years past. These turn up themselves every little while. In addition to the notices, we do something else. When the printed notices are returned to the post office, as "Not found," we have a man who then takes them up separately and makes an attempt to find them. He is in the nature of a detective, and he does find a great many. Incidents occur in the finding of these people which are very interesting. They show peculiarities of people which are very amusing sometimes. For instance, I will mention the case of a woman who put money in the bank ten years ago and had for-

gotten all about it. You could not convince her that she ever had put money in the bank at all. When you take her to the book and show her her own signature she is surprised, but very glad to find that she has got some money there. That idiosyncrasy seems to belong only to women. They put a little money in the bank in early life, and they lose their pass book, and forget all about it. We have had some very strange illustrations of that peculiarity. I can give one instance, the result of which was very pleasant to us. A man put in some money in trust for his only child, a daughter. He was very secretive in his nature and would not take a pass book. Of course all that represented the money was a small ticket. He added to that account several times a year $5, $10, $20, or $50. The account and the pass book remained in the bank. It was found out after a while that he had not appeared at the bank in about ten years. Then this detective set to work to find him. He went to his last-known residence; nobody knew anything of him or his family. Then the detective used his judgment what to do and inquired of every house in that block, or the next block, until he found some one who remembered that family. He found an old lady who remembered the family very well. She said: "That man is dead; he had but one daughter." The detective said: "What became of her?" The answer was: "All that I heard was that she was sent to a relative in New Jersey."

That seemed a rather difficult thing to trace, but our detective devised a plan to trace it. He wrote a note to every postmaster of any town of any size in New Jersey and asked if such a person lived in that town. The postmasters are generally very courteous and attentive, but he did not get any replies which were satisfactory for a long time. Then he commenced on the smaller towns and finally got a reply from a small place in New Jersey that there was a young woman in that town by that name teaching school. He wrote her, asking her certain questions as to her residence in Brooklyn, her father's age, and so forth,

and she replied, identifying herself perfectly as the person for whom the money was deposited; I wrote to her then that it was possible there might be some money in the bank that belonged to her and asked her to come to Brooklyn; not to send anybody, but to come herself. The first thing I did when she appeared was to find out if she ever had any brothers or sisters. Ascertaining that she answered every question correctly, I had the pleasure of telling her that she had $1,800 in the bank. Such instances as that crop up all the time from the result of these investigations.

If any gentleman in the neighborhood will come to our bank, our bookkeeper will show him his blank book and the exact system, with which I am not entirely familiar —the way it is carried on now—although I organized it. I think that is about all that I can say. I am very much obliged to you for your attention, gentlemen.

Mr. Andrew Mills: Mr. Chairman, I may say a word in regard to the bank I represent. This question of how to dispose of dormant accounts is one of importance for the consideration of the officers of Savings Banks. For the last ten or twelve years I have been associated with our President, in committee work before the Legislature at Albany, and each year, with renewed force, dormant account bills have been brought forward for consideration. The motive in introducing these bills we know. At the same time we are compelled to oppose them, whatever the motive may be. As the banks grow in deposits, the number of these accounts naturally increases, and with the increased number and the increased amount exists increased danger. I think that anything we can say or do to cause the officers of Savings Banks to realize the importance of this fact, and to take every measure they can to make these dormant accounts active, will be of service to the Savings Bank system of the State.

Some of the legislators, whose bills we were instrumental in defeating the past season, threaten us openly that they are coming back next year armed with renewed energy and determination, and that they will use their best

endeavors to have some dormant account bill passed by the Legislature. You cannot drive the idea out of the head of the average legislator, who knows nothing of the real facts, that the Savings Bank officers and trustees are making a large amount of money out of what are called dormant or unclaimed deposits. One of the Senators of this State stated in Committee two years ago that it was an acknowledged fact that Savings Bank buildings were all built out of unclaimed deposits. We must do all we can to get rid of the dormant or inactive account. I think that if we can impress upon the majority of the members of this Association the importance of action, we will have accomplished a good work.

Mr. J. Howard King: In the remarks which I have listened to by the last three or four speakers there are ideas expressed of which I cannot wholly approve, as I think they might lead those not fully informed upon the subject to entertain a false impression of the real condition. Everybody knows that there is an effort being made to find dormant accounts. If they are not found, they do not belong in any sense of the word to the State at large. When we opened our new bank building a short time since, a large percentage of the class of people of this State who are looking for dormant accounts for their own advantage told us that our building was built out of unclaimed deposits, and the fact is that we have only $27,000 worth of dormant accounts, and we are the second oldest bank in the State. Now I think we should look out for ourselves. Within the last six weeks two accounts have been presented to us that were fifty years old. One man presented his in person, and the other was presented by the heirs representing the account. We cannot tell when those accounts may be presented for payment. To publish the fact that we cannot find out anything about these accounts is exceedingly poor judgment; and, if I may be permitted to make a suggestion to you, I don't believe the Association would develop anything except something that you don't want to have developed.

Mr. McMahon: I wish to add a few words, suggested to me by the remarks of Mr. King, whom we all esteem very highly. I regret to say that I cannot agree with his conclusion. I think the time has arrived when we should give the greatest publicity to this subject-matter of the dormant accounts which has been made here to-day. There are turning up every little while claimants for these accounts which have been dormant for years. Within a few months we have had an occasion of that kind. It was a case of a man who lived in this city, and there had not been a transaction in his book for thirty years. It was a matter of nearly $2,000. We asked him why he had not put in an appearance. He said: "I knew your bank was all right; I had nothing to add to the account, and I was trying to save that money for my old age." Those claims are turning up quite often, showing that it is unfair to consider the accounts dormant, or entirely dead, at any time up to fifty years at least. I do not see that the Savings Banks have anything to conceal in this direction. If we have, then that is the more reason why bills should be offered in the Legislature and the thing showed up. I claim that the bold, honest way is the best way. By taking hold of the matter in that shape, the legislators will see that we have nothing to conceal, and if they can aid in giving life to these dormant accounts we would be pleased to have them do so.

Mr. King: I had supposed there never was a single bank which favored handing over their funds to the State because the accounts were dormant. The theory I believe in, and the one I think which ought to be practised, is that we can take care of that money quite as well as the State can. There will not be very many sleeping accounts if we hand them over. There will be owners of some kind found for them if the accounts ever get into the hands of the State. They won't be dormant then; they will be the most active of all accounts.

I perhaps sympathize in a measure with what Mr. McMahon has said. I don't think we have anything to con-

ceal, but I do think, even from what he said, that if we show that we are making an effort to find out these accounts, and we know much better how to find the owners out than any one else, I think that would be the best thing to do—all that is possible to do—and much better than to hand them over to the State, or any portion of them. The State has no more right to the money than General Washington has, I have just come from a meeting of the order of the Cincinnati, so that my mind is full of General Washington, and you must excuse me for having referred to him.

The President: The question of dormant accounts, as I have said, is a serious one, and the object of your Executive Committee, in referring to them so strongly in their annual report, is from a desire to throw as much light as possible upon the methods by which the number and the amounts of these accounts may be kept down. In my own bank, with some thirty-six millions of deposits, we have about $32,000 of dormant accounts. I intend during the coming year to look thoroughly into the system which Mr. Smith has adopted in Brooklyn, and I propose to have printed upon every pass book—even stamping the old books as they are presented for transactions at the bank—a statement showing the necessity on the part of depositors of presenting their books from time to time for interest to be written up. I propose, in other words, if possible, to adopt for my own bank some system by which these accounts can be kept down. In most instances these accounts are not dead accounts, but simply dormant, and at the end of another year I hope to be able to be of some service to my fellow officers by being in a position to make some suggestions which will lessen the danger of being forced to make public all the information we have about accounts of this character, or to turn over the accounts to the State. If any such bill is passed in the future, one thing is certain so far as I am concerned, and that is the authorities will never obtain any facts from me, nor will I turn over one dollar to the State until the question as to the right of the State to demand the information, or to

compel the payment of these moneys, has been passed upon by the Supreme Court of the United States. These accounts are of the nature of a contract between the bank and the depositor. The money does not belong to the State. If they are never called for, the interest goes to the depositors at large. The object of the bills introduced is to obtain the information which constitutes the identification of the original depositor, or give the connection between his heirs and the original depositor. If any bill of this character ever becomes a law, and my bank is required to give such information to the department at Albany, it will never get that information until I am forced to give it by the highest court in the land. I do not propose to give away my evidence. I will keep it for the protection of my depositors. When the courts of the land determine that I shall give it, I will give it, and not before.

Upon this subject we should educate ourselves, and we should apply ourselves to the proper solution of the problem involved. These accounts should be kept down as far as possible. If we do that, we will do well. The last public announcement of the amount of these dormant accounts of the banks of this State was given at the Constitutional Convention held a few years ago, and they amounted to a million and a half of dollars, out of a total deposit of seven hundred millions of dollars in the banks. Of this $800,000 was in one bank.

ADDRESS OF SUPERINTENDENT F. D. KILBURN

Superintendent F. D. Kilburn, of the State Banking Department, then addressed the Convention, saying in part:

The history of legislation concerning these banks for the past few years demonstrates that even some of those who make our laws have much to learn in this connection. It is amusing and yet somewhat exasperating to find people, otherwise well-informed, who believe and unhesitatingly assert that uncalled-for or dormant accounts are used in

building large and extravagant bank buildings, that Savings Banks are stock institutions out of which the officers and trustees are making enormous profits; that all surplus earnings go to enrich the officers, and that the interests of the depositors are antagonistic to those of the trustees.

I think it was Artemus Ward who said: "It is better not to know so much than to know so much that isn't so." Whoever said it must have known something of the altogether too extensive misapprehension concerning the savings institutions of our State. Many of you have come in touch with the legislation referred to and have encountered these false notions and impressions even among our lawmakers.

Let me assert the truth regarding these matters in the hope that I may correct, in a measure at least, the erroneous opinions to which I have referred.

1. Under the law only those accounts which have not been increased nor diminished by deposits or withdrawals, exclusive of interest credits, for a period of twenty-two years, become dormant.[1]

2. No account, dormant or otherwise, can ever be used or appropriated by the bank or its officers for the erection of a bank building, or for any other purpose, or disposed of in any manner except by paying it to its rightful owner.

3. Savings Banks in this State are not stock corporations, and all their earnings, except the amounts paid in salaries for services actually rendered, and for necessary expenses, belong, together with all assets, to the depositors.

4. A Savings Bank deposit never becomes outlawed, and the bank is bound to repay it with interest when called for by the rightful owner upon proper proof of identity.

Savings Banks are benevolent in their character. They are organized for the purpose of furnishing a means by which the thrifty working class may save and invest their earnings. They also are designed for the widow and the

[1] The Banking Law of the State of New York (chap. 2 of the Consolidated Laws, as amended by chap. 369 of the Laws of 1914, article 6, sec. 274) provides for a period of twenty instead of twenty-two years.

orphan dependent upon the income perhaps of a few thousand dollars left them by a deceased husband and father.

I regard them as safe and conservative as human ingenuity can make them. The law governing them, their history for the last eighteen years, and the character generally of the men controlling them, all testify to their stability and safety.

I would not be understood as meaning that some things about them might not be better, or that there is never dishonesty or loss connected with them. These results will occasionally follow as long as humanity remains fallible.

What I do assert, however, as the result of some opportunity of forming a correct judgment, is that the Savings Banks of the State of New York are the most economically managed financial institutions of our commonwealth, and furnish the safest field for small savings and investments.

Statistics are usually uninteresting, and yet in connection with Savings Banks, in which so many people are interested, they may be instructive and suggestive. There are 129 Savings Banks in the State, having on January, 1, 1899, total assets amounting to $923,420,861.82 and liabilities as follows:

Due depositors	$ 816,144,367.53
Other liabilities	379,871.19
Surplus funds	106,896,623.10

The increase in deposits during the year 1898 was $49,-459, 451.38. The number of open accounts was 1,865,-653, a gain for the year of 60,373.

About twenty-eight per cent. of the total population of the State are Savings Bank depositors.

The administrative expenses for the year 1898, including salaries, rent, repairs on bank buildings, light, fuel, appraisal fees, taxes on real estate, and all other expenses, amounted to $2.73 on each $1,000 of assets.

These figures show plainer than anything I can say

the thrift and industry of the comparatively poor, and suggest the vast importance of these institutions and the interests they represent. So beneficent and important are they that the State should foster and protect them to the fullest extent, and be very sure to adopt no policy which will impair in any degree their usefulness or stability.

To men who, like the majority composing this gathering, having given the best years of their lives to Savings Bank management, employing a zeal and manifesting a solicitude for the interests of depositors which could not be greater or more faithful if these interests were their own, it is not necessary to argue the contention that the welfare of the New York Savings Bank system requires that the present policy of exempting these institutions and their depositors from taxation shall continue.

The question of dormant accounts is one which is marvelous in its ability to exasperate and annoy. Most of you are familiar with the annual attempts in the Legislature to compel a list of these accounts, including name, address, and amount, to be published and made a public record. The proposition on its face looks reasonable and innocent to the uninitiated. It is usually coupled with another to shorten the time now required by law to make an account dormant.

Not long since an heir in the State of Washington, the granddaughter of a depositor in the year 1824, recently looked up her claim and was put in the way of realizing on it. The Albany Savings Bank recently paid two accounts which had not been disturbed for nearly fifty years. Too much effort, however, cannot be made by the banks themselves to search out the owners of dormant accounts. Many banks make constant and systematic endeavor in this direction. I cannot too strongly urge you all to do the same. According to certain information in my possession, the total amount of these accounts does not exceed $1,500,000, which, with the employment of energy and system, can, in my judgment, be largely reduced.

ADDRESS OF HONORABLE CHARLES S. FAIRCHILD

When your President demanded the title of my theme, I gave it as "The Relation of Savings Bank Deposits to General Business."

It is obvious that through this system the dimes are welded into dollars, and the dollars into millions, tens and hundreds of millions, by combination becoming a force that raises thirty-story buildings, erects stately capitols, launches steel-clad battleships, transports armies over land and sea, arms and supports them in tropical jungles, where the fathers, sons, and brothers of your depositors are doing deeds of intelligent daring such as have rarely been equalled, never surpassed, in the wars that have been. It is pleasant and interesting to let one's imagination follow to its outermost effects the daily business of your receiving tellers. And there is your other side—when fear possesses men and the work of paying exceeds that of receiving tellers; then, according to the degree of fear, all these works must stop; ships and armies must pause until men come again to their usual and normal belief in the general average success and good faith of other men.

And how your system acts and reacts upon your depositors themselves: when they believe in you, they promote the industries which give them the means to increase their deposits with you, and through you runs the golden circle of well-being. But when the current is reversed, when the circle revolves the other way, your depositors, through the fear of losing that which they have with you, shut down the employments which give them their daily bread, to say nothing of their savings.

You know how it is—how, when your depositors begin to draw on you, you in turn draw on your commercial banks, and they curtail their credits; one industry after another stops. You know the chill that seizes the business world when the first rumor comes downtown that there are abnormal withdrawals from your deposits.

Since Savings Bank deposits have reached such co-

lossal proportions, this consideration is of serious import; for the combination of wealth has prodigious power for evil as well as for beneficence. When we consider the evil not only to the whole community but also to your clients themselves from unreasonable and groundless fear—and I am safe in saying that the fears that have arisen from time to time about deposits in Savings Banks were groundless—we must be impressed with the importance of a safeguard against these dangers—evergrowing dangers.

I hesitate to suggest the remedy; but I have sometimes thought that if the mutuality of interests of your depositors was more generally recognized, and a greater limit put upon the right of withdrawal, even going to the extent of looking upon the transaction as an investment payable only out of receipts taken subsequent to notice of withdrawal, that menace to the business community would be removed, with consequential net benefit to your depositors in the way indicated.

The concentration of power represented here in terms of dollars is most impressive, and when a man tries to philosophize about it and seeks the cause and future of it all, he is possessed by the fascination always felt in the presence of the resistless forces of nature. For although you gentlemen are officers and trustees of great beneficent concerns, which you manage so carefully and well, although governments have devised laws to restrain and safeguard your investments, yet, in my estimation, all that you do and all that the laws try to do is to somewhat modify and beneficently apply forces that have their being quite outside of human legislation and man's conscious intention.

Speaking in this presence, I must be modest in assertion as to facts. I believe, however, that in the world's history institutions like the modern Savings Banks have been known but little more than eighty years, and in that time there has rolled together a total of between seven and eight billions of dollars in such institutions, taking the world as a whole—of this about two billions in our own

country, more than one third of this being in our State of New York.

It is significant that this combination of power, capital, or what you may choose to call it, has grown step by step as the rapidity with which property and persons could be moved has grown. As man's wit has applied steam and electricity more and more efficiently to man's use, so has grown the concentration of mankind in cities, so has grown the combination of the affairs of men, and so I venture to say these combinations will continue to grow. All of this tremendous movement of the centuries which has such striking exemplification in your banks can only be in obedience to nature's laws powerfully working. It is not by man's conscious design; he is driven on by forces beyond his control. Of course there will be successes and failures, wise and unwise enterprises, but that the forces of nature will relax we cannot hope. Sigh as we may for the old times, all that man can do is to seek safeguards to protect himself against injuries when these forces cease their steady progress through man's unwisdom in their application. But let man and his legislators be modest and know that the harm they are likely to do will probably come from too much rather than too little attempted control of forces and powers too great for man's strength, which are in all wisdom designed for man's good and which if abused contain in themselves ample power to inflict punishment.

But I am being led far afield and must stop, with my thanks for this kind invitation from you who are so good and beneficent a part of the mighty movement of the age.

ADDRESS OF PROFESSOR WM. G. SUMNER

"The Power and Beneficence of Capital" was the subject of a very able paper by Prof. Wm. G. Sumner, of Yale University. Professor Sumner said:

Some years ago I listened to an address by a social agitator who said: "I can get along with anybody in my

audiences except these mean, stingy, little fellows who have saved up a few hundred dollars in the Savings Bank and then have borrowed enough more to build a little house of two tenements, one of which they rent. When I begin to talk about interest and rent, and Henry George, they get up and go out by the whole seatful at a time." The statement was the most eloquent recognition I ever heard of the power and beneficence of capital. It has always remained in my memory as a confession by an opponent of the education effected by savings, and of the benefit conferred on society by Savings Banks. I make it the text for the remarks which I will address to you on this occasion.

We hear a great deal in these days about social discontent. It seems to be taken for granted that discontent is a sufficient proof of grievance which third parties are bound to take cognizance of and redress. It might be argued with far greater plausibility that discontent is a proof of prosperity. If you look around the world to-day you will find that discontent is greatest where the chances are greatest. A man who has never had anything or a chance to get anything is not discontented. He rests contented with what he has always been accustomed to. Let him enjoy an opportunity and win something and the effect will be to excite his wish to win more. There is more discontent in one house in the United States or in England than in the whole Russian Empire. Discontent exists, then, where there are opportunities, and it is a stimulus to take advantage of opportunities. In that case it is an agency which produces achievement and drives on what we call progress. In other cases discontent is a result of conviction that opportunities have been lost and that it is too late to recover them. Then again, discontent is the twin sister of envy, when it is seen that others have profited better by opportunities. In no case does discontent, as a naked fact, prove anything, and when the details are known it never is proof of a grievance.

Our social philosophers, however, as I have said, assume

that discontent is a legitimate and imperative demand for a remedy. They treat it as a social phenomenon, and the remedies which they propose are societal; that is, they are in the nature of devices and regulations which call for the action of the agencies of society. So far as these social philosophers get their way we find that it is legislation which is set at work, and this legislation imposes tasks on functionaries and institutions. The net final and certain result is new burdens on taxpayers. Discontent is not diminished. It is generally increased. If you get a report of the operation of any of these devices which have already been adopted you will find it full of criticism, perhaps of derision, of the device. It is pointed out how crude the notion was; how ignorant of the conditions; how irrelevant to the purpose in view.

I will not, however, now dwell upon this aspect of social measures to cure discontent. What I am now more interested in is the education exerted by all this philosophy and all these devices on the people on whom they are brought to bear. The social philosophy which has been in fashion for a century past has educated us in the notion that we ought all to be "happy" (as the phrase goes) on this earth, and that, if we are not so, we ought to cry out, and then that somebody is bound to come and take care of us. Liberty, equality, and happiness have been declared to be natural rights, which is interpreted to mean that they were laid in our cradles as our endowment for the battle of life. Every human being, on this theory, comes into the world with an outfit and a patrimony of metaphysical if not of physical goods. This doctrine is, of course, very popular. The men who preach it are sure of popular applause and political power. Tell a man that he ought to have and enjoy all the highest acquisitions of civilization, just because he has been born, without labor, self-denial, or study, and that he is a victim of injustice if he does not possess all those good things, and he will be sure to be delighted. Some of these grand old eighteenth century dogmas which lie on the borderline between politics and social philosophy

have been found very much in the way in our own history of the last twelve months. They have been pushed aside as out of date. Perhaps we may get an incidental advantage from recent history if we can throw them all overboard together, but it is more likely that the buncombe element in them has too much value for political purposes to be sacrificed, and so we shall see that retained. We may be very sure that all these theories of world beatification can produce nothing but disillusion and disappointment for the society in which they are current. The human race never received any gratuitous outfit of any kind whatever. No heathen myth ever was more silly and empty than such a notion. Talk about the "boon of nature" and the "banquet of life" and the "free gift of land" is more idle than fairy tales. We can speak nowadays with some positive knowledge about the primitive condition of the human race on earth, assuming now that the facts about the primitive condition of man have some bearing on our modern social controversies. We know that the human animal by nature is more helpless in the face of nature than many other animals, and that nature did not start the human animal off with any other rights than those of all the other animals. The human race came upon this globe with no outfit at all. The mere task of existing and continuing here was so great that the human race was taxed to the utmost to meet it. The obvious proof of that is that large groups of men have, in innumerable instances, utterly perished from the face of the earth. These are facts of knowledge at the present time. So far as I know they are not disputed by anybody.

I have already suggested that these facts about the primitive order of things have very little value for modern social controversies. Their value lies in quite another direction. If we men have, to any extent, conquered the task of existence, if we have risen to some command over nature, and if we have created a domain of rights between ourselves, it is by civilization that we have done it. The good things were not given to us gratuitously at the outset.

They are the product of the toil and suffering of mankind. They belong at the end, not at the beginning. The people who are nowadays examining the product and passing judgment on it are only betraying their own ignorance and folly. They are quite dissatisfied with it. They write books, hold conventions, and pass resolutions about how we ought to change it, and they draft ideas about how they would like to reconstruct it. If we arrive at some correct idea of what society is and what civilization is, we shall regard all such speculations as more absurd than witchcraft or astrology. We are the children of the society in which we were born. It makes us. We are products of the civilization of our generation. Only a handful of men can react upon the society and the age in which they live so as to modify it at all. They are the very élite of the human race, and after all what they can do is only infinitesimal. Civilization means the art of living on this earth. All men have always been trying to learn it. All that now is in the order of society is the product of this struggle of ages. It pours along in a mighty flood which bears us all with it. In it are all the efforts, passions, interests, and strife of men. It is the play of these upon each other which produces the heaving and swaying of the flood and determines its vast modifications of direction. If you come to a faint understanding of this the man with a scheme in his pocket for the "reorganization of society" is made to appear very ridiculous.

The instrumentality by which, from the beginning, man has won and held every step of this development of civilization is capital. Some people talk about ideas and philosophy which they think have ruled the affairs of men. The ideas are only secondary. The philosophy, when it has acted as a cause, has taken the form of dogma and has done harm as often as good. We may take illustrations in proof from the present time. There is a dogma afloat that labor alone makes wealth, so that the whole product should belong of right to the laborer. Another dogma is that limiting the hours of labor would make work

for more laborers, and another is that any wealth which one man accumulates is so much taken from some or all other men. Another is that all increase in the value of land or franchises is due to the social organization and activity, and, therefore, should not go to the holders. These dogmas are all false, but they are of great scope. They are great fighting dogmas because they serve interests. It is for this reason that they win acceptance, because the great reason for inventing dogmas, principles, and phrases is to use them in controversy. These dogmas, therefore, which I have mentioned, will, if adopted as the worm of legislation, produce destructive convulsions in society and nothing else. In the meantime the social development is going on by slow accretions which nobody notices. They are won by adjustments between the interests of men who meet new problems every day and solve them as well as they can under the conditions prevailing. These adjustments are all made by means of capital, because the interests are all matters of capital and all the readjustments are secured by capital. In their turn they favor the creation of capital, because the readjustments which serve interests always mean attempts to win a given result by a smaller expenditure of labor and capital.

Others think that "organization" is the great force which has made civilization. They think that organization is arbitrary and subject to manipulation, and consequently it is upon the organization that they bring their efforts to bear. Organization has, of course, been a commanding phenomenon in the development of civilization. A student of that development is not likely to disregard organization. For myself, I am convinced that much is yet to be gained by better appreciation of the element of organization. But organization is only the *mode* under which the work of life goes on. It is not the force. It never can force anything. It has to do with the smoothness and harmony of the operations. In human society, in its lowest forms, organization has always produced itself spontaneously and automatically. It has, therefore,

just suited itself to the case. It has sometimes become traditional and dogmatic, and for that reason it has become a hindrance, preventing necessary adjustments. Then societal convulsions and revolutions have occurred. In civilized society organization is equally spontaneous and automatic. In the civil organization some element of arbitrary action has become possible, and this it is apparently which has caused the notion that societal organization is a thing subject to conventions and resolutions. In regard to the civil organization, however, the chance of some arbitrary action has only introduced an element of risk and peril, just as an intelligent being runs the risk of going wrong where an instructive being never has to face any question at all. All attempts so far made to extend the domain of policy with social matters have resulted only in doubt and in warnings of danger. The proposition to adopt a policy of organization can never do anything but disturb the harmony of the societal system which is its greatest advantage. They never will really change the societal organization. It is already controlled by the mighty forces of interest. For instance, if so-called trusts are now a real step in the evolution of the industrial organization, a legislative policy of sweeping and destructive opposition to them is vain. After producing great confusion, and animosity, and loss, it will have to be abandoned. The case of department stores is similar and more simple and obvious. If the wages organization is suited to the present conditions of industry, it is quite useless to try to invent any organization of labor to supersede it. On the other hand, we may, from this case, see how the organization changes, for, if the interests of men are not served by the wages organization, they will seek to modify it in the detail in which it is unsatisfactory, from whence it may follow in time that some different organization will be gradually evolved to take its place. Harmony of action, with the highest possible satisfaction of interests, is the point of equilibrium toward which the organization is always tending. Those men nowadays who can foresee

the next steps to be taken to advance on this line are the great generals of the modern industrial army. If the organization is bad, it can waste and impede the effort. If it is good, it can allow the effort to reach its maximum result under the conditions. That is the sum of all that can be said about organization.

We must return then to the proposition already made. If men are not now in beastliness and utter want, it is by virtue of labor and self-denial. Labor and self-denial have been embodied in useful things, that is, capital. The things won on the stage have become new instrumentalities on the next stage. It is not strange that the growth has been so slow, especially in its earlier stages, when we see how hard the struggle has been, and how much it has been at war with human nature. It is only when we have won some conception of the painful and toilsome effort by which every step has been won that we can estimate at its full value the civilization which we have inherited, but then, too, we are driven to believe that we never can gain anything more except by the same means. The great reason why the advance of civilization has been so slow is that it has never gone forward steadily. Its progress has been broken up. It has been broken up by ignorance and superstition, which is, of course, simply saying that it never could go on faster than men knew enough to carry it on. It has also been broken up by passion, and by strife over questions of policy. All this remains just the same now as it ever was. Discord, strife, and war break up the orderly and coöperative effort to reach a higher satisfaction of our interests, which seems to be alone worthy of intelligent and civilized men. The ignorance, folly, and strife destroy capital. The orderly and well-organized efforts to satisfy, create, and preserve capital. The presence of capital does not insure the extension of civilization, for the capital may be wasted by error, or it may be employed entirely in an increase of population; but an extension of civilization without an increase of effective capital or a diminution of members is impossible.

It may seem to you that the course of thought on which I have so far led you was somewhat too academical or philosophical for this occasion, but I am now ready to return to the orator and the Savings Bank depositors whom I mentioned at the outset. The facts and ideas which I have presented to you show that the Savings Bank depositor is a hero of civilization, for he is helping in the accumulation of that capital which is the indispensable prerequisite of all we care for and all we want to do here on earth. The more convinced you are that the notions and devices which are offered to us by social speculators as the means of social progress are all in vain, and that the whole effort to find some means of easily making everybody happy is a waste of time, the more you will be thrown back on the industrial virtues as the only moral resources at our command which enable us men to fight the battle of life with success. The industrial virtues are industry, frugality, prudence, and temperance. We cannot deny the presence of another element which is powerful in determining our success. That is the element of good or ill fortune. It is true that men have fortune, or destiny, or Divine Providence at hand as a convenient agency on which to throw the blame for the consequences of their own acts, especially for those acts which are violations of the industrial virtues, but when all is said in correction of the popular abuse of luck, it is useless to deny that good or ill fortune may make or mar the success of men in spite of their most careful endeavors. This element, however, is irrational. There is an element in it of which we are ignorant. Therefore it is beyond our command. We have to submit to it and make the best of it. Our only means of dealing with it is, where we can do so, to meet it coöperatively, as we do in insurance.

Returning, then, to the industrial virtues, I repeat that they are our only moral resource for winning success in the battle of life. The greater the disadvantages under which one starts in life, the higher the value of these virtues for winning the first foothold and making the first

step to something better. There is reason for profound faith in any device which is proposed for societal improvement if, upon strict analysis, we can find that it will touch the springs of industrial virtue and raise the industrial virtues to higher activity. There is no ground for faith in any device which does not stimulate those virtues. It is not necessary to add that, if devices which are proposed are found upon examination to stimulate envy or vanity, or fondness for talk, or a desire to live by one's wits, they are only mischievous. It is not easy for us to form estimates of each other's virtues, especially when we look at each other in classes, but the Savings Bank depositor, as a type, gives the surest and most concrete evidence of the industrial virtues. He must be industrious, frugal, prudent, and temperate. He is a capitalist. He is getting in hand that power which, as I have said, has created and now upholds all civilization. He is winning a share in its power. He is getting the upper hand of the tasks of life. He is fortifying himself against bad luck and disaster. He is developing his own character by the self-denial and the persistent pursuit of a selected purpose which he is obliged to practice. You find nowhere else such guarantees of sound judgment, sober reason, and moderate temper as are offered by the fact of saving. There is no other guarantee of good citizenship which is so simple and positive, and at the same time so far-reaching, as the possession of savings. The seatsful of Savings Bank depositors who went out of the lecture proved it.

The old classical saying was: He who has a wife and children has given pledges to fortune. He has opened avenues by which misfortunes can reach him through other lives. Capital is the chief means of protecting those dependents. It gives education to the children and puts them on a higher plane for the battle of life than that on which their parents stood. It is right to conceive of the human race on this earth as engaged in an endless battle with the conditions of existence, striving to so modify them that men may get more out of their lives in the way

of satisfaction of the possibilities of human nature. For a century past the current, popular notion has been that the way to win the battle is to "raise the lower classes." The notion seems to be that the vicious criminal and poverty-stricken classes are a certain number of human beings who are miserable or harmful. It is thought that if this number can be cured of social diseases all will be well. This notion is based on childish conceptions as to what society is and as to the nature of social disease. Projects to abolish poverty are worthy of an age which has undertaken to discuss the abolition of disease. Why not abolish death and be as gods once for all? Why not resolve that everybody shall be good and happy? Why not vote that everybody shall have whatever he wants? Why trifle with details? If these agencies can get us anything they can just as well get us everything. The trouble with creation out of nothing is not to make a universe; it is to make an atom of star-dust. If, then, we turn away from all these notions and devices and try to understand the case of man on earth just as it is, we find that our task always is to do the best we can under the conditions in which we are and with the means which we possess. Then it appears that capital is the means with which we do it and that it is by capital spent on the education and training of the rising generation that we keep up that advancing fight against the ills of life to which I have referred. I do not suppose that the Savings Bank depositors who left the lecture knew much about this, but that class of men have a way of their own of getting at things. The possession of capital gives an acuteness of insight into whatever affects capital. Men who have tried saving have not much patience with rhetoric and dogmatism about how to get on in life, and we know how acute they become in perceiving that the upshot of the schemes is to make them share their savings with those who have never done any saving. I suppose that when the Savings Bank depositors got up and left the lecture it was an expression of this impatience.

I never saw a poem about the Savings Bank depositor. Poems are all written about heroes, kings, soldiers, and lovers. There are plenty of poems about glory, and love, and ambition, and even about poverty, but saving is passed by as sordid and mean—utterly unpoetical. It has always been thought noble to spend and mean to save, which only shows how far we are yet, with all our boasting, preaching, and discussing, from sound standards of judgment about the operations of society. It has, however, always been recognized that, among subjects of dramatic interest and power, the hero struggling against adversity with fortitude and perseverance is one of the grandest. In our modern, commercial, and unadventurous life you will hardly find nobler examples of it than those seatsful of people who, after saving a little to make a beginning, had built two tenement cottages on which they were trying to pay off the mortgages.

Some people will answer that they see the utility and even the moral grandeur of savings by poor people, but that they dread and disapprove of accumulation. If the Savings Bank depositor saves enough to pass on up into the class of large and independent investors and finally to enter the class technically known as "capitalists," our social philosophers withdraw their sympathy and respect from him and denounce him because he is rich. Savings Banks would then seem to be useful institutions because they are vicious only up to a certain point.

Savings Banks are the most efficient institutions for aggregating capital which we possess. That is the most useful function which they perform, when we regard them from the standpoint of society, not of the individual depositor. In fact, we must believe that, if the motives of thrift could be made to actuate the population far more widely then they now do, resources of capital could be found in the increased savings of the mass of the population of which we have at present but little idea. Savings are like taxes. If you want big results you must look to the aggregation of millions of small sums from the

whole population, not to the aggregate of a few big sums from the millionaires.

In this connection the movement of the current rate of interest, regarding that rate as a stimulus to saving, is a very interesting and important phenomenon. If we knew more about the causes of the fluctuations of the interest rate we should gain a deeper insight than we now possess into some of the operations of the industrial system; especially we should gain a text which we very much need for the effects of legislation and taxes. The rate at present favors the borrower, not the depositor. If such a tendency of the rate was a result of an accumulation of capital more rapid than the exhaustion of enterprise it would no doubt be advantageous. It would bring about a reaction which would produce readjustments and would be ultimately healthful. I find it difficult to conceive of an increase of capital in excess of the extension of enterprise under the circumstances of industry and of public temper which characterizes our society. The fact that the interest rate is as low here as in western Europe, or even lower, seems to me to be abnormal and even irrational. It seems to me to point to errors of legislation. Our people have been congratulating themselves for two years on an enormous balance of trade in our favor. We have had large crops of cereals when other people had small ones, and so we have sold the whole at high prices. The consequence is that we have paid our debts, have got out of bad times into good ones, have dispelled our political anxieties, and have capital out in Europe; but when we try to draw home our credits we find that our rate of interest falls. Within a year we have seen it fall a full point. I find one statesman quoted in a newspaper as saying: "If present conditions continue, it looks as if all the gold in the world will come into the United States." That is probably the most grotesque notion that could enter anybody's head. It seems clear that the fluctuation which we have experienced does not correspond to the normal action of the forces which should produce the rate

of interest, and that the effects of it are not subject for congratulation. A higher rate than that now prevailing would give tone to the money market. It would be a benefit to small investors. It would remove perils which threaten speculation and would lessen the dangers of discount banking. It would be a benefit to enterprise by giving greater steadiness and sobriety, especially as to the future. It would restore the relation which should exist between a new country and old ones. How can things be in a normal and healthful condition when we cannot earn greater interest on capital in a new country than what people will bid for it in old ones?

I was led to notice the rate of interest because I was speaking of the possible increase in the accumulation of capital which might be produced if the motives of saving could be stimulated throughout the mass of the people. By the side of the facts to which I have referred, which are sometimes interpreted as showing that the formation of capital at present outstrips the extension of enterprise, there are other facts which show enormous demand for capital on account of unprecedented extensions of enterprise. It is idle folly to meet these phenomena with wailings about the danger of the accumulation of great wealth in few hands. The phenomena themselves prove that we have tasks to perform which require large aggregations of capital. Moreover, the capital to be effective must be in few hands, for the simple reason that there are very few men who are able to handle great aggregations of capital. This is also the reason why the attempts to execute great enterprises by the State or municipality, that is by elected officers, especially in a democratic republic, are sure to be wasteful and comparative failures. The men who are competent to organize great enterprises and to handle great amounts of capital must be found by natural selection, not by political election. It is plainly childish to attack those elements of a case which are essential to it. If the aim is to establish tests and guarantees, or regulations, then there is room for discussion,

but it is evident folly to say that we want a certain result and then to say that we will not consent to the most fundamental conditions of what we want. The aggregation of large amounts of capital in few hands is the first condition of the fulfilment of the most important tasks of civilization which now confronts us. If, therefore, the view which I have suggested is correct, that, in spite of some present appearances to the contrary, there is to be, in the near future, a greatly increased demand for capital, then a great increase of the popular desire to save would be contributory to the present needs of society.

I have suggested in this paper that the Savings Bank depositor gets an education and development of character from the practice of saving. He gets a point of view and a way of looking at things which are substantially the same as those of all capitalists. The seatsful of Savings Bank depositors whom I mentioned at the outset incurred the ire of the agitator because they showed this: He was addressing poor men and men of the wages class, to which they belonged, but instead of responding to his class appeal, as he wanted them to do, they showed the sentiments of the capitalist class. Hence his dissatisfaction with them. We have had experience of the political value and importance of the same conservative sentiments and property interests of the small capitalists. It is a matter for regret that the Savings Bank depositor does not know more about the investment of his own savings. If he knew, so to express it, where his money is, how it is being used, how the interest which he receives is won, and what is the nature of the political risks and perils to which his savings may be exposed, the social and political consequences would be most beneficial.

I once also heard another orator, who was dilating upon the ills of life, declare that the great cause of human woe was the "devil of interest." There is no doubt that interest is an awful devil. Your feeling toward this devil, however, depends on whether you are working for him or he is working for you. If you are working for him, es-

pecially if you have bound yourself to terms which are imprudent, beyond your strength, and full of gambling risk, then he is an awful taskmaster. You dare not eat, or sleep, or play. Pay day seems to come every other day. Instead of winning release by work, you may see your load grow bigger and bigger, in spite of all you do, until you come to ruin. Therefore, when you are going to work for him, which we all have to do sometimes, you must be sure that you undertake only what you can accomplish within the conditions in which you find yourself. But if the devil of interest is working for you, he will work while you eat, and sleep, and play, and while you work to earn more. You must be careful to have him well harnessed and to give him proper superintendence and directions. Then, if time seems to you to slip away rapidly, and if old age comes on apace, the devil of interest will give you the only consolation you can get for your failing powers. When you turn to your Savings Bank book you will see that your capital is increasing just as rapidly as the flight of time, and that it will be ready to support your existence when your ability to work gives out. I have spoken about the power and beneficence of capital to maintain civilization; this last is its power and beneficence to guide the fate and sustain the happiness of the individual.

SPECIAL MEETING CALLED TO ACT ON THE STRANAHAN BILL

A special meeting of the Association was held on Wednesday, February 7, 1900, to determine the attitude of the members on the subject of the taxation of mortgages and the passage of the so-called Stranahan Bill, then pending in the Legislature. Mr. Geo. W. Wickersham, of the law firm of Strong & Cadwallader, New York, had been employed by the Executive Committee of the Association to make a careful analysis of the bill and to give an expert

opinion in connection with the proposed law, both as to its constitutionality and as to the workings of the tax under the law in operation. This he did. A very interesting discussion of the important subject followed, participated in by Mr. Chas. A. Miller, the legal counsel of the Association, Mr. Chas. L. Stone, and Mr. James McMahon.

THE RESOLUTIONS ADOPTED

The following resolution, introduced by Andrew Mills, was adopted:

Resolved, That this Association considers the bill introduced by the joint Committee on Taxation and Retrenchment imposing a tax upon debts secured by mortgage, so far as it applies to Savings Banks, is a measure for the taxation of the savings of the money of wage-earners and persons of small means intrusted to the care of the Savings Banks, and as such it is unalterably opposed to the bill.

Resolved, That this Association now, as in the past, inflexibly oppose any scheme to tax the fruits of the industry and economy of those persons for whose protection Savings Banks have been established and fostered in this State.

Resolved, That a Committee (the number to be determined) be appointed by the Chair to take action, in connection with The Executive Committee of this Association, in effectively opposing the passage of the bill referred to and of any other bill the effect of which will be to tax the personal property in the hands of the Savings Banks of this State.

HEARING BEFORE JOINT LEGISLATIVE COMMITTEE

A hearing was had before the Senate and Assembly Committees on Taxation and Retrenchment in the Senate Chamber, Capitol, Albany, on the 13th of February,

1900, upon the bill entitled "An act to provide adequate revenue for the support of the State Government otherwise than by Direct Taxation of the assessed valuations of Real and Personal property and for a more equitable distribution of the burdens of Taxation." (Senate No. 397.)

There were present:

Senators Krum (Chairman), Higgins, Foley, and Cullen, and Assemblymen Degraw (Chairman), Guilder, Roberts, Treat, and Farrell.

Representing the Savings Banks were: Messrs. Stone, Chase, Alliger, C. E. Sprague, Meserole, DeWitt, H. W. Sprague, Tibbetts, Miller, Hurlbut, Knapp, Hanaman, Mills, Rainey, Sturges, McMahon, King, Conklin, Wentz, and Donaldson.

The principal address in opposition to the proposed law was made by Mr. Geo. W. Wickersham (afterward Attorney-General during the administration of President Roosevelt).

CHAPTER VII

Seventh Annual Convention—Retirement of President John Harsen Rhoades after Six Years of Distinguished and Valuable Service—Death of Samuel R. Rainey, Chairman of the Executive Committee—Appropriate Action Taken—Address of Hon. Carroll D. Wright, of Washington, on "Savings Institutions as a Social Force"—Col. Thomas Wentworth Higginson's Illuminating Address on the "Aristocracy of the Dollar"—Remarks of Hon. Wheeler H. Peckham.

THE Seventh Annual Convention, which was held on Friday, May 11, 1900, at 32 Nassau Street, New York, was marked by the retirement of Mr. John Harsen Rhoades as President, an office which he had filled with distinguished ability since the formation of the Association six years before.

FAREWELL ADDRESS OF PRESIDENT RHOADES

In his opening address President Rhoades said:

It is now about twenty years since a concerted movement was made by some of the officers of the Savings Banks of this State to protect themselves against unwise measures introduced in the Legislature, and to inaugurate wise measures not only for the protection of depositors but toward the sustaining and the upbuilding of the system of savings in this State, upon which the prosperity of the mass of our population so much depends.

At the outset of this movement there were on deposit in the Savings Banks of the State of New York $353,000,000. There were on January 1, 1900, on deposit the vast

sum of $887,000,000—an increase in twenty years of $534,000,000.

After years of unorganized effort on the part of a few bank officers, during which much bad legislation was prevented, but very little good legislation created, it was found impossible without organization to accomplish all that we aimed at; and in the year 1894 we for the first time organized ourselves into a body, and since then have worked together harmoniously; our desire being solely to protect and maintain the system of eleemosynary banks for the purpose of fostering thrift among the working people, and so far, having been guided by philanthropic aim and conservative method, we have, I firmly believe, established ourselves not only in the confidence of the people of the State, but also in the confidence of the legislators, and our influence for good has thus become the stronger and our counsel of more weight and character than would otherwise have been the case.

So long as the motive of our action remains the same, so long will this Association prove a benefit to ourselves as officers, and a benefit to the community which we serve.

The work of the past year will be told in the report of the Executive Committee. It has been important and of a character to denote our usefulness. The most serious effort made in the Legislature to affect our deposits has been in the character of taxation. The whole subject of the proper methods of taxation will always be a perplexing and a difficult one to solve, largely owing to the natural resistance of those affected when ever their interests are approached and an additional burden is proposed to be laid upon them.

I have always believed that, with a system of taxation wisely conceived and honestly enforced, it might be wise and proper to have a light tax laid upon the earnings of the working classes; but it would be a gross injustice to do this in the absence of a just enforcement of the taxes upon all interests alike. If the corporation, individual, the life insurance company, the building and loan association, and

the real estate owner are all to be equally taxed in their fair proportion, then I do not believe that the Savings Bank depositor would object to paying his fair proportion of the tax so collected; but he will never willingly consent, nor ought we as his representatives be willing to consent, to the imposition of a tax upon the wage-earner so long as our tax laws exist as they do to-day, and when such glaring injustice is consented to as now applied to the collection of personal taxes.

It is a fact easily proven that the widow, the orphan, and the women of our State pay the larger share of the personal taxes collected, and the argument made by the average legislator, even if true (and, in the main it is not true), that the Savings Banks should be taxed because of moneys deposited by those who are not properly the poor or the working classes, is still a false argument in its results, for the reason that, if such taxes were enforced, the moneys complained of would be withdrawn and the burden would rest upon those the least able to bear it, as is the case at the present time in regard to the enforcement of personal taxes.

It was said, and said repeatedly in the Legislature during the past winter, that, if a mortgage tax were enforced, the burden of such tax would be borne by the lender of the money, when it is a known fact, which experience has proven, that such a tax would be borne solely by the borrower. The rate of interest would have advanced one half of one per cent., and the exemption of mortgages from liability to further taxation would have reduced the average rate upon them one half of one per cent., or, to state it in another way, the tax would have raised the rate, the exemption clause would have reduced it, but, in either case, the burden of the tax would be borne by the borrower.

In California, where mortgages have been taxed for years, and on a fairer basis than was proposed in this State (for the borrower is allowed to deduct his mortgage from the valuation of his property, and the lender is compelled to pay his tax upon the mortgage), experience has

shown by facts which have been proven that the borrower not only is compelled to pay the tax, but at least one quarter of one per cent. in addition, to cover the demand made upon the lender for the tax upon the mortgage.

In a pamphlet by Carl C. Plehn this whole subject has been gone into with a great deal of care, and the results of his investigation have been accepted in monetary circles in that State as being correct in every way. In concluding his article, he uses the following language:

"It is clear from our investigation that the constitutional method of taxing mortgages has encountered the same difficulties which rendered the enforcement of a usury law impossible. A law aimed especially to help the borrower at the expense of the lender is from its very inception unfair; in fact, it injures the borrower instead of helping him by narrowing the supply of capital offered to him and raising the rate of interest. It injures the business community by tolerating the use of roundabout and expensive methods to accomplish simple things. It lessens the respect for government and all liability by compelling men to resort to underhand devices to accomplish ends which of themselves are perfectly just and honorable. The method of taxing mortgages is entirely unscientific, and, from the point of view of the general theory of taxation, it is easy to see why it has failed to work well."

Taxes, to be effective, can only be collected from profit or income, and, in my judgment, should be raised from real estate, corporations, through licenses, and the like. It is those who actually earn the income who should pay the tax. The investor and capitalist pay it indirectly through reduced dividends, or through being compelled to loan money at a less rate upon real estate loans, owing to their freedom from liability to taxation.

If all the States in the Union would enforce proper taxation upon corporate property of all kinds, that portion of the population which are possessed of property in considerable amount or otherwise would be compelled to pay their share, which cannot be collected justly and fairly in any other way; but we, as Savings Bank officers, must not overlook the serious fact that, with over one thousand mil-

lions of dollars of assets in our hands, and deposits steadily increasing, the temptation and the desire of the Legislature to reach these deposits through taxation will be constant and increasing, and the duty lies upon each and all of us to stand together and to resist these attacks not with protest only, but with solid argument as well.

Each recurring year brings with it our sorrows, and we miss here to-day the presence of more than one who has met with us in the past and who has passed on to the activities of another life; but none of these can we miss more than the Chairman of our Executive Committee, Mr. Samuel R. Rainey, who was not only a tower of strength to this Association, but one who had endeared himself to many of us. For me among all the pleasant memories which the existence of this body has created, and among all the friends which it has made for me I will remember that through this Association he became my friend, and never forget the pleasant hours and days we passed together. It is for the creation of such memories as these, if no other reason existed, that we should meet together as officers of banks from time to time and draw help and inspiration from one another for the daily work of life.

And now, gentlemen, I must end what I have to say, and, in the ending, and upon my retirement from the distinguished office as President of your body, say to you how much I appreciate your kindness to me, how much I have leaned upon each and all of you for confidence and support, how well rewarded I have been by the harmony which has characterized our action, and how deeply I cherish the acquaintance and the friendship of those who constitute this body. While no longer your President, I remain your associate and co-worker, and bid your new President, whom you are about to elect, Godspeed in the work we have in hand. He will honor the high office to which he is called, and you will honor him in bestowing it upon him, and I ask for him the same loyal support you have also accorded to me. The Savings Banks Associa-

tion of this State must go on with its work, and the need of this organization will increase year by year. Let us, therefore, stand by it loyally, faithfully, earnestly, truly, and, standing by it, let us stand to the end!

DEATH OF SAMUEL R. RAINEY

It was with feelings of unfeigned sorrow that the Executive Committee was called upon to preface its report with the announcement of the death of its Chairman, Samuel R. Rainey, of Hudson, which occurred at his home March 17th. The Committee said:

"His devotion to the interests of the Savings Banks cannot be better described than by the words of the President of the Association in his last annual address: 'Watchful, earnest, intelligent, and faithful, your officers have leaned on him for counsel and direction, and have recognized that largely to his effort is due whatever of success has crowned our efforts during the past year.'"

Shortly after Mr. Rainey's death the Committee met and adopted the following resolutions, a copy of which was sent to every member of the Association:

It is with deep-felt sorrow that the members of the Executive Committee learn of the death of their associate and Chairman, Samuel R. Rainey. Mr. Rainey has been a member of the Executive Committee ever since its formation, and two years ago was elected Chairman, which position he held at the time of his death.

From the first he evinced a great interest in the Savings Banks Association, and to his untiring and persistent efforts is largely due the successful work we have been able to accomplish.

He was a man whose honesty of purpose was never doubted, whose personal character was beyond reproach, while his genial personality endeared him to all with whom

he came in contact. Not only has this Committee lost a most efficient head, but each member a true and loyal personal friend, and the Association one of its most influential members. His death has created a void which will be hard to fill, and his memory will abide with us during our lives.

Resolved, That this Committee extends to the family of our deceased friend its sincere and heartfelt sympathy in this hour of their great sorrow.

Resolved, That this minute be entered upon our records and a copy suitably engrossed sent to the family of our associate, and the Secretary requested to notify the members of the Association of the death of Mr. Rainey and the action taken thereon.

THE STRANAHAN BILL

The Executive Committee made report of the efforts to defeat the so-called Stranahan Bill which imposed a tax of one half per cent. upon all debts secured by mortgage on real property situated within this State; also that the bill making the bonds of the Chicago & Alton Railroad a legal investment for Savings Banks had received the sanction of the Committee, as the bonds were considered a safe investment, and the bill contained an amendment correcting an error in the bill passed at the last session of the Legislature. The bill subsequently became a law.

RETIREMENT OF JOHN HARSEN RHOADES AS PRESIDENT

The fact having become known that President John Harsen Rhoades had for personal reasons positively declined to permit the use of his name further in connection with the office of President of the Association, which office he had for so many years filled with distinguished ability, the Association took appropriate action at this Convention with reference to his retirement.

Mr. Sturges said: The necessary retirement of Mr. John Harsen Rhoades from the Presidency of this Association has caused such profound regret that I feel constrained to speak a few words on the matter. I know that, as compared with the whole membership, but few can fully realize the important services Mr. Rhoades has rendered this Association during the past five years. The Executive Committee especially, who have been intimately associated with him in that work, will unqualifiedly testify to their high regard for what he has done. Therefore, in order to give expressions to a desire that I believe is felt here by all my associates, I feel that a suitable recognition should be made of the services Mr. Rhoades has rendered to the Association by his devotion to its interests and the valuable results that have been accomplished through his efforts. As he retires from the activities of the office which he has filled so faithfully and efficiently, he will at least know that he carries with him the esteem, the friendship, and the best wishes of those with whom he has been connected in this Association, and I beg to submit the following preamble and resolution:

Whereas, Mr. John Harsen Rhoades having decided to retire from the Presidency of the Savings Banks Association through impaired health, after having faithfully performed the duties of that office for the past five years.

Resolved, That this Association expresses to Mr. Rhoades its regret at his retirement and its full appreciation of the valuable services he has rendered and the untiring devotion shown by him to the interests of the Savings Banks in this State.

Resolved, That this preamble and resolution be entered in full on the minutes of the proceedings of this Association.

Mr. McMahon: I second the resolution, which has been presented by Mr. Sturges, in behalf of the Executive Committee and in behalf of the whole Association. I can only add to what is expressed in the resolution that I have been connected with the Association from its formation, that for many years prior to its organization I was associated with Mr. Rhoades in visits to Albany in connection with Savings Bank matters in respect to legislation, and I confess that the Association, to my mind, owes its origin and formation to Mr. Rhoades. In going to and from Albany it was constantly his subject of conversation, the importance of such an organization and the good that would result from it, and all the early meetings, which were convened by Mr. Rhoades, were held in different banks—many of them in the board room of my bank, and I think for the first two years the Association held all of its meetings there. Therefore I can the more intelligently testify to the great ability and the untiring zeal and effort of Mr. Rhoades in the formation of this Association. There are very few members who are aware of the amount of labor that falls to the position of the President. It is not alone in respect to legislation, but he has letters to answer from all over the country, statistical information required, and so many things that it has been a wonder to me that Mr. Rhoades has been able, with the multiplicity of duties he has had to perform, to give it the attention which he has given.

The resolutions introduced by Mr. Sturges, and seconded by Mr. McMahon, were unanimously adopted.

MR. RHOADES' REPLY

Mr. President, I feel greatly moved at this cordial expression on your part of appreciation for what little I have done for a work which we are all engaged in alike. Happily for me, and happily for you, this work is one which counts not for dollars in our own pockets, but for the good of the community, and no man's life is well rounded out

unless he can look back and feel that he has done something for his fellowman. I regard the work that we are doing as of the utmost value in its character, so far as our fellowmen are concerned, because at the bottom of all prosperity, at the bottom of all that is good in this world, is the encouragement of thrift among the masses of our people. I want to say to you now, gentlemen, that the work that I have done was done from a sense of duty. I count the task but light. What I have gained is to me of a far greater value, and will remain to me as long as I live, and that is the knowledge that I have created friends in this Association which are very dear to me. I shall continue to know you until life is ended, and it is that, gentlemen, which gives me the most profound satisfaction at this hour of my retirement from the high office of President of this body. I speak of this office as a high office, gentlemen, for it is a high office. Any man who stands here representing this body of men who are doing the work you are doing, and who are controlling money which has rolled up to over, as I have said to-day, a thousand million dollars, and who stands here, as your representative, to protect that money from unjust attack and from dishonest handling, or from the breaking down of a system which has gathered it together, is doing a grand work, and it is a high office which he holds. I charge you, therefore, that, upon my retirement, so long as you represent and remain connected with the Savings Banks of this State, so long as the banks you represent hold fast to this Association, you will be doing the best thing that you can do to protect your banks and their depositors. Years of experience have taught me the necessity of an organization of this kind, and, as the years go on, the necessity will grow greater. There is no way that the Savings Bank system of this State can be maintained in its purity and in its integrity unless we, its officers and trustees, stand together as one man, resisting everything that is wrong and holding to everything that is right.

Subsequently a suitable testimonial was presented to the retiring President, the members contributing thereto individually.

ADDRESS OF HON. CARROLL D. WRIGHT

On the subject, "Savings Institutions as a Social Force," Mr. Wright said: The Savings Banks Association of the State of New York is, as I understand it from the statement of your President, an active, forceful, and valuable agent in fostering the best interests of your depositors. The best interests of Savings Bank depositors comprehends a variety of measures and means, but the chief means of securing these best interests is in providing absolute safety for investments. With safety secured, savings institutions, under whatever name they may be chartered, constitute one of the most active forces in preserving a high social standard; without that security, such institutions may become a social menace. It is fortunate that in this country, as a general rule, Savings Banks have secured the confidence of the public, and hence constitute one of the most active social forces. The enormous transactions, as given by money values, convince one at the start that the reliance of the public upon such institutions has been very great. Savings Banks are the product of this century. Their development has been within the last fifty years. They had their birth in the old country in the very last years of the eighteenth century. The first organization of which there is any record was effected in this City of New York, November 29, 1816. The first incorporated Savings Bank was in Boston December 13th of the same year, beginning its business in the spring of 1817. The Savings Banks of Great Britain did not have the sanction and protection of law at that time; so our own country anticipated the mother country in giving to this interest legal protection. Savings Banks, as you well know, are not the usual depositories for the rich.

The little nestegg of the widow and orphan is found

there. This character of deposits, on the whole, constitutes fifty per cent. of the total amount.

Small depositors in Savings Banks are not, as a rule, the men who make violent complaints against the banks or against the Government. They know that banks are the great debtors and not the great money owners. They know that a bank owns no money of itself, that it is the debtor of its depositors; that it holds the money of the people, no matter what the form of the bank may be. The stability of the banks, therefore, is of the greatest concern to the people at large, who are interested in them. They realize that the stability of the debtor is the stability of the country itself.

A man who has money in his pocket or in the Savings Banks usually has an interest in the stability of the Government, because that little amount which is to his credit is only safe when the debtor is safe. He has an importance far beyond the man who has not such deposit, because he has an interest in all that pertains to the welfare of the country at large.

Somebody has said that a wife and children are God's policemen. It may well be said that a man who has been careful and economical enough to put by some part of his earnings, thus becoming a real, substantial part of the whole, is one of the Government's free policemen: for he will see to it that nothing is done to invalidate the stability of the debtor to whom he looks for the safety of his little savings.

It must be recognized that property is the real basis of social stability—not only that it is the source of family comfort and happiness of the family even, but that it lies at the very foundation of the causes which secure the perpetuation of the human race.

The Savings Banks are schools of patriotism.

It has long been held that savings constitute one of the surest means of avoiding some of the catastrophes that come to society. It must be admitted by every one who has given any attention to the subject that social welfare depends upon industrial welfare.

Dr. Chalmers said that: "The possession of a capital, and that not a very great one, by each individual laborer, or rather by each of a considerable number of laborers, would reverse the character of the negotiation entirely.

"Every intelligent employer would rather have a well-to-do class of employees, well-paid and with money at interest, than a pauperized and ill-paid force.

"Save wisely, so as to be able to spend judiciously in a time of need which will probably be greater than that of the present." This is the true essence of the principle of the savings institutions, and when society, when the wage-working members of it, understand the power of postponing consumption, they will more readily be convinced of the necessity of saving to-day.

The economist makes a great mistake, however, in contending that all welfare is the result of savings. If every man saved something of his current income, wore one pair of shoes where he now wears two, business itself would become stagnant. It is not in penuriousness that saving exists. Penuriousness could not of itself create capital; it is that wise thrift which postpones consumption, which saves to-day in order to earn the privilege of spending to-morrow. In this lies the true economic principle of society and of industry. Capital is in a sense accumulated savings, but it is accumulated savings constantly being used, worked over, expended. Capital without activity is sand; it has no value. It must be productive, and thus productively invested. Idle capital is a menace. Active capital secures the safety of the community. The great accumulations of the Savings Banks of the country would be of no account if held in the vaults of the institutions. It is because these savings are sent out in a thousand directions—in building homes, in loans upon great industrial establishments, for the conduct of enterprise, and everything that bears a relation to the activities of the community—that their power is felt and their force is secured. Every man who participates in this activity, even to the extent of one dollar, is helping society

to a greater and healthier prosperity. So we see that the Savings Banks exercise not only a social force as such, but that they have a great moral effect on the conduct of society. In great crises they help to save property from destruction.

In the year 1892, the year before the last depression, the average amount due each depositor in the Savings Banks of the country was $358.20; in 1893, $369.55; in 1894, $365.86; a decrease of less than $4, while in 1895 the amount rose to $371.36; in 1896, to $376.50; in 1897, to $372.88; in 1898, to $383.54; larger than any preceding year in the history of the Savings Banks, while in 1899 it was $393.13, larger than at any other period. Thus the saving process went on through the whole industrial depression existing from 1893 to the latter part of 1898. This shows the habit of thrift, and that adverse circumstances do not interfere with it to any appreciable degree. One may draw some arguments from all this which bear especially upon a very popular statement that finds lodgement in many minds at the present time, namely, that the rich are growing richer and the poor poorer. If this statement were true the statistics I have quoted would not show the results stated. If it were true there would be a constant decline not only in the amount of deposits but necessarily in the average due each depositor. All the collateral facts show that the statement is not true. We know that the rich are growing richer; we know that more people are growing rich than formerly. Now, with these two statements acknowledged, if wealth were stationary the popular cry would be true; but wealth is not stationary, it is constantly increasing, so that the true statement is that while the rich are growing richer and more people are growing rich, the poor are growing better off. We may, as philosophers or as economists, discuss the question as to whether the poor are getting their share of the increased wealth, but we cannot argue, if we be honest, that they are growing poorer. We must admit that they are gaining constantly in every direction, not only in personal,

individual accumulations, but in the comforts and the surroundings which help to make their standard of life higher than at any previous time. With this improved condition it is gratifying to recognize the growth of Savings Banks; to recognize the social force which comes from their existence, in their making men better, and in providing them with means for future consumption, in aiding them to carry their families over periods of stress and depression. Now, with this great social force in existence, the men who are most interested in it have a right to demand from your hands and from the hands of all who are conducting the affairs of the great savings institutions of the country the very best and the most devoted attention to the safety of the accumulations. You know well the power of law in these matters, but you know well that the power of law is nothing alongside of reckless management. Wherever Savings Banks have failed it has been through the cupidity of the managers in making investments which apparently would draw a large rate of interest. Every business man knows that a large rate of interest means an insecure basis of investment. The depositors of the Savings Banks of the United States are content with a low rate. It is the safety of the deposit itself to which they look for their own welfare, and in this lies the real social force of the banks themselves. Any other principle, any reckless management, any desire to pay large rates of interest instead of insuring the security of the deposit itself, constitutes the Savings Banks not a social force but a social menace. As I look into your faces I am sure the interests of the Savings Banks Association of New York are well guarded.

"THE ARISTOCRACY OF THE DOLLAR"

Colonel Thomas Wentworth Higginson, of Boston, addressed the Convention, in part, as follows: Mr. President and Gentlemen of the Association: The subject on which I am to speak is the "Aristocracy of the Dollar." Up to this time the aristocracy of birth and the aris-

tocracy of money have divided the world between them. In the early days, when hereditary aristocracy was well recognized in America, it was customary in the older colleges, such as Yale and Harvard, as soon as a new class arrived, to send around to the villages from whence they came and get their comparative social positions, and then, as you will see in the older catalogues, they were arranged according to that social position of their families at home and not alphabetically, as is the case now. I have often wished that I could see in the aristocracy of the dollar in America that absolutely simple self-respect which you notice in the men in England who know they are born to a big position and do not need to assert it. Take, for instance, the question of coats of arms. I lived in Newport twelve years, and in watching the parade of the carriages up and down the avenue, many of them with coats of arms, how often have I wished that those living in Newport, driving around in their carriages, would show their pride in the one thing that was creditable to them, namely, that they had laid the foundation of their own fortunes and were willing to show it before the world.

I can remember when there was but one man in the neighborhood of Boston, Mr. Cushing, of Watertown, who was even suspected of being a millionaire. I used to hear it discussed in my boyhood: "Do you suppose, now, that Cushing has really got a million dollars? I tell you a million dollars is a great deal of money. One could not have as much as a million dollars." What is a million dollars now in these regions of the Chamber of Commerce? Respectable poverty.

There was an instance not many years ago where a gentleman of great wealth felt that he was overtaxed in Boston. He went back to the country town where he had lived, where his father was a quiet country clergyman, who paid a tax perhaps of \$15 or \$20 a year. When he got back there the selectmen and assessors of the town naturally were somewhat startled at the sudden splashing down into that quiet little rural lake of this gorgeous gold and

silver fish, and they, at his suggestion, had a conference with him as to how much he would like to pay taxes on. He came at it from the other point of view. He said: "What does it cost to run this town a year, anyhow?" And they said: "About so much." And he said: "We will try it in this way: From this time on, as bills against the town come in, you send them to me. I will settle them for a year and we will see how it works." He paid every bill against the town that year out of his income and saved $20,000 by the operation. The selectmen of that town were sensible men. They did not let up a bit on their taxation. They put all they got from him into permanent improvements and the consequence is that it is the best roaded, the best sign-boarded, and the best-managed town in the heart of Massachusetts. . . .

On the other hand, when we look at the aristocracy of the dollar, we find strong points looming up in its favor.

In the first place, there is the obvious fact that it represents to-day and not yesterday or, at the most, last year and not the last century.

Then, again, there is this advantage about the aristocracy of the dollar that it brings men together. The aristocracy of the dollar is not represented by castles, by walls, by drawbridges; it is represented by the things that bring people together, by the railroads, the steamboat, the express company, the telegraph, the telephone. Everything that now stands for the results of wealth stands for things that bring people together. It is modern. It belongs to peaceful, organized life. Whatever exceptions there may be you have to go outside of your own country to find them. If you once go into the imperial business I will not predict what you will find, but in the workings of the aristocracy of wealth in its own country you will find it based mainly on the works of peace.

You will find that the aristocracy of the dollar, having begun in the people, cannot easily detach itself from the people.

Then, again, there is this further advantage to the aris-

tocracy of the dollar, that it belongs in a manner to the future. Representing the present, it represents the future also. You have got to recognize it. You have got to make your plans for it. You have got to accustom yourself to it. It speaks for the future. This, be it for good or evil, is the organization that we are to have. What may follow it, what may be the next step, we do not know. What combination of mutual coöperation or support, we cannot tell. There are opportunities for speculation on that subject. But we are in the current of opinions that are ruling all countries. America itself is stretching out its help to all countries into this same plane of effort to know how to handle the wealth of the future, how to deal with this aristocracy of the dollar which we have got to deal with and cannot destroy. . . . .

A friend of mine once seeing a little boy at the theatre who came there night after night and who always went sound asleep, after the curtain fell—when some good man who had wakened him up and put his hat on his head and started him home—said to him: "Why do you always come here, my little boy? You don't seem to enjoy it very much. You always go to sleep." "Oh," said the little boy, as he rubbed his eyes, "you don't know how it is. I have to come. I've got a season ticket." Alas, for wealth! I sometimes think, which has a season ticket for everything and does not get quite the full enjoyment out of anything.

ADDRESS OF HONORABLE WHEELER H. PECKHAM

Hon. Wheeler H. Peckham addressed the Convention as follows:

Mr. President and Gentlemen: After listening to the very charming discussion which we have heard from the most prominent literary man of Boston, it seems a little hard to turn to the dry subject which has been assigned to me to speak upon this afternoon.

The aristocracy of the dollar is shown in the workingman of to-day, whether his work be rewarded by smaller or larger consequences. The aristocracy of the dollar, I say, is shown in the workingman of to-day who has lifted himself beyond the necessity of daily toil for mere existence and has a surplus. And the moment he has achieved that surplus something else can be done by that man, some further step can be taken by him than contenting himself forever with the drudgery of daily toil.

They can do something, they do do something to add to that surplus, to the means of existence which gives them leisure and enables every man of them to do something for the benefit of his kind as well as for himself. And yet so recent is that period that I am told it was but in 1819 that the first Savings Bank was organized in this State; and when it was organized the man who deposited his savings there, so that he might accumulate something for himself, was able to make something of himself more than the mere drudge, which, prior to the recent economic advance of the world—whatever period may be assigned to it—he was unable to do.

The theme assigned to me this afternoon is as to the welfare of these depositors in the Savings Banks, as to the right or power of the Government, after having for years exempted their savings from taxation now, when they have amounted to millions and millions of dollars based upon the faith of that exemption, to say whether they shall be taken away and the whole or a large part of the income from them swept into the coffers of the State in the name of taxation.

During this past year, this past winter, all of you know there was introduced into the Legislature—and for a time it seemed as if it might pass and become a law—a bill which taxed Savings Banks, substantially the same as any one else in the community, upon all the property which was in their possession. It aroused your antagonism naturally enough. You all, I am told, opposed it, and you with others opposed it successfully. You claimed that

this enormous aggregation of capital in your hands belonged to poor men, and that it was not a right or fair thing for the Government to tax the savings of its poor citizens. What importance or how much weight that argument had with the Legislature when they determined to refuse to pass this bill, I do not know. I am not prepared to say that it was entitled to any. I cannot see for myself why the savings of a man who had not seen fit to put them into a Savings Bank should be taxed, and the savings of another man, who had seen fit to put them in a Savings Bank, should not be taxed. It always struck me that that was a contention difficult to the last degree to maintain, and if I thought that the claim of the Savings Banks that their assets should not be taxed depended solely, or really in any substantial degree, upon that contention I should not have the confidence in it which I now have. I think that there is another and a vastly better and stronger reason for it. All the assets of Savings Banks substantially are invested in what are known as, and what we call, securities. So far as they are invested in real estate, they are not exempt from taxation, but so far as they are invested in securities they are exempt from taxation at the present time. The bill to which I referred would have made all those securities subject to taxation.

Now it seems to me a matter of demonstration as complete and thorough as any mathematical demonstration can be, that securities, whether held by Savings Banks or individuals, should not and cannot be taxed. It seems to me as plain as it possibly can be that, in the economic sense of the word—mind you, gentlemen, I draw a distinction between the economic sense and the legal sense—these securities are not property. They are not capital. They are not anything that has ever added a single dollar to the wealth of the world. If all the securities in the world were destroyed the world would be in no sense the loser other than of the paper upon which they were written and of the work in printing them.

The Legislature of the State and the taxing officers of

the people, and the authorities who have had to do with this question of taxing securities, seem to have been unable to get it into their heads that securities are nothing but a means for the distribution of wealth, nothing but the distributors of capital or the title deeds to it.

What I am talking about, of course, is something with which you are perfectly familiar. I do not have to persuade you to believe it. You are already persuaded now. I merely refer to it as a thing which possibly some of you may not have noticed before. I have. I have been thirty odd years talking about this thing. Not as an orator, not as a declaimer. I have been paid hard cash itself for the talking that I have done about this matter for the last thirty years by the men who employed me to represent them before legislative committees. And who do you suppose they were? Not the lenders, not men who had money or capital to lend, but the men who wanted to borrow and who could not borrow because of the tax laws of the State of New York taxing the mortgages which might be made by them when they borrowed, and because the lenders would not lend upon such mortgages.

In the early days, when the two things were brought close together, there was a usury law on the one side and a law regulating the rate of interest on the other. These came together. Lenders were apprehensive that it might be claimed that the payment of the tax by the borrower would be a payment of more than the six or seven per cent., limited by the law, and so taint with usury and make the transaction doubly dangerous, and the aim of the men who were suffering because they could not borrow this money was to remove the usury law, or the tax on mortgages, so that they could go into the money market and borrow on their own credit. There is where the shoe pinched. That is where last winter, when the bill was attempted to be passed, it was shown to pinch. All agreed that although by that bill the burden was put directly upon the mortgagee, and he had to pay it in the first place, yet in the end, owing to the discrepancy between the market rate of in-

terest and the legal rate of interest, there was no difficulty whatever in the lender passing the burden over from himself to the borrower, and the borrower would have to pay the tax.

No doubt has ever existed anywhere in the mind of anybody that such would be the result in the case of mortgages. In the case where real estate is the subject-matter of the transaction, and in this State with respect to personal property, the question is a little more complex, and for this reason: In the early days of the occupation of this country there was very little personal property and the taxes were paid mostly by those who held the land. But they did in early days provide for the taxation of personal property, and not only that but they inserted in the law a definition of what was personal property. They said that it included bonds, mortgages, choses in action, promises to pay, book accounts, and things of that character. On the other hand, while a man was taxed for all those things which he had, and for any other personal property which he had, they put upon the statute book a relieving clause, as it might be called, saying that there should be deducted from the sum total of his personal property the debts that he owed. Now, you see the result. If the man who holds the bonds, the creditor, the security holder, really can be taxed, if he can be made to pay the taxes, there would be some sort of reason for crediting the amount of tax that he paid, or the value of the property upon which he paid, to the owner of the personal property which was possessed by the obliger. Take as an illustration a railroad company for a more ready understanding of it. It has a large amount of personal property: cars, locomotives, engines, machines, and all sorts of things. All its rolling stock is personal property. It would pay a tax on that, we will say, to an amount of $50,000, more or less. But it has issued a lot of bonds, three and one half per cent. bonds, selling in the market at 111. The theory of the law is that for just that amount of the personal property of the New York Central Railroad

Company which is offset by bonds issued, the railroad shall not pay the tax, but the bondholders shall. We will say the tax is two and one half per cent. and the bonds are three and one half per cent. Now not only are the bonds three and one half per cent., but they sell in the open market at 111, or 112, or 113, as the case may be. We all know that those bonds do not in fact pay any tax. The railroad escapes taxation on just that proportion of its actual, visible, tangible working capital that is equal in amount to the amount of bonds issued. The bonds are subject to taxation, and according to the law they ought to be taxed. We know, as a matter of fact, that no man who owns them is taxed one cent. That is the working of the law. We know it by the reports of men who for thirty years have been engaged, to the utmost effort of their lives, in attempting to actually tax securities, and we know it from the Comptroller's reports.

The State Comptroller, in his last report, stated that, of all the personal property in this State, amounting to some eighteen thousand million dollars, and including in that amount not only securities but actual personal property, only three per cent. of it paid a tax.

These securities cannot pay any tax, for this reason. A man invests in these securities in competition with all other opportunities for investment afforded not only here in our country, but, you may say, in the whole world. The economic law is based on various facts, among them the fact that the property is so easily and readily hid that it cannot be found; the fact that in no other country in the world is such a thing known as taxation of personal property in that way, and for an infinite variety of reasons, which I cannot state now in detail, these capitalists who have this money to lend have the markets of the world open before them. The rate of interest is determined, and actually exists, upon what is called the net rate to them, free from any tax. That is the world's market. That is the world's custom. That is the actual fact as it exists, that the man who lends money gets for

it not an amount of interest out of which he shall pay the tax, but he gets an amount of interest based upon the idea that he shall not pay any tax, but that the man who has borrowed the money will pay all the taxes which are to be paid out of the earnings of the particular enterprise which is the basis of the pledge for the security. As a matter of fact, we here know that and recognize it every day. The railroad companies recognize it to the extreme when they invariably put into their large mortgages which have been made in the past five or ten years a clause to the effect that in case a tax is levied upon that bond by the State or Federal Government that, notwithstanding the provision of law that the railroad company shall pay the tax and charge it against the interest, the railroad company will pay the tax and will not charge it against the interest, but will pay the interest just the same as if the tax had not been levied. You all know perfectly well that in the securities you have in your banks, the modern mortgages, every one of them contains that provision, and it is right and fair that they should, because out of the income that has been made, or that shall be made, by any enterprise, railroads, bank, manufactory, or anything else—out of the money that is made by that enterprise every single dollar of tax, interest, income, and profits must be paid. You all know that after the taxes have been paid—all the tax which that income will stand—the rest must be divided between the lender—call him promotor or capitalist, or what you will—must be divided between the man who runs the enterprise and the man who has loaned the capital, for the use of that capital in that enterprise, as they agree. Their intention, their agreement, is the absolute and final arbiter of the proportion in which the profits of the enterprise shall be divided between them. How, then, can you tax it? If you tax the securities immediately after the security thereby is reduced in its rate of interest so that the ordinary, fair, average rate cannot be secured to it, it is turned over upon the borrower who has to pay it. It is impossi-

ble that it should be otherwise. If you take from that fund directly in the hands of the man who is managing it all that can be taken from it without stirring up the disposition of the community to such an extent as to accomplish a revolution or a reorganization of the method of managing it, you cannot touch another dollar of it by calling it a tax upon the holder of the securities, which represents a tax upon the same fund and must be paid from the same money. They do not seem to realize that this fund for the payment of all things is precisely like the water in a well. You may dig a wellhole and take all the water from it, or you may run a thousand pipes of small diameter from that well, but you cannot get any more water from the pipes than you can get from the wellhole. So all that can be taken by the State for a tax upon securities, and upon the property, and upon everything connected with the enterprise is limited simply to the amount of the income of that enterprise. You must not tax any income to an extent that will deprive the persons who are carrying on an enterprise of a large share of their income. Should such a law as stands on our statute books be really enforced, no law for the collection of taxes upon these securities would be necessary.

With respect to the railroad corporation where the bonds ran for two hundred years, we have bought those securities at the low rate of interest provided by the terms of the bond based upon the idea that those securities were exempt from taxation. If they were short-term securities, the injustice of taxing them would not be so great, because at the end of the year the lender would demand a different rate of interest, and that it should be enough to pay the tax and leave to him the usual interest upon the money he loaned. But where the bond runs for a hundred years or more and has been bought upon the basis that it should not be taxed, and if the State then turns around and taxes it, that is confiscation to the extent of the difference between the value of the boud before and after such a tax is levied.

Gentlemen, you have got to meet this fact which was brought out during the last legislative session. You cannot interest the politician, the average politician, in what is fair or right. You cannot interest him in economic truths or economic science. In order to interest him you must show him something that is going to give him votes at the next election. In order to change this statute, which has stood upon our statute books for so long, appeal to politicians is in vain unless you show them that the men of the country, as a whole, are one on this subject. Unless you can show him that you are in earnest yourself, unless you can show him that the vast constituency you represent is awake to the fact that he is not doing what he ought to do, and that the law is doing an injustice to them, you cannot interest him.

The remedy is entirely with you. It is for you to let the politicians, the members of the House and of the Senate, know that you understand this thing, that you are ready and determined to let all the people who have votes in your districts understand this thing, and that you are determined that the rights of the people who work, who are devoted to their work alone, who are occupied with other things and not with politics, and who have put their savings in the shape of actual capital in your banks, shall be protected.

CHAPTER VIII

Eighth Annual Convention—President Andrew D. Mills in the Chair—Brief Review of the Past Year's Progress—Announcement of the Death of J. Howard King, President of the Albany Savings Bank—The Surplus or Guarantee Fund of Savings Banks and Its Proper Legal Uses Elucidated by Mr. Hicks, of the Bowery Savings Bank—Restriction of Deposits Discussed by Mr. Charles A. Miller, of Utica—Dormant Accounts.

THE newly elected President, Mr. Andrew D. Mills, was in the chair at the opening of the Eighth Annual Convention, held in the City of New York, on Wednesday, May 8, 1901. As on many previous occasions, Superintendent Frederick D. Kilburn, of the New York Banking Department, was an honored guest of the Convention.

THE PRESIDENT'S ADDRESS

President Mills delivered the opening address, in the course of which he said:

The year that has passed since we last met here has been one of great national prosperity, one of the evidences of which is the large increase in deposits in the Savings Banks of the State which on January 1, 1901, aggregated the enormous sum or total of $947,000,000, representing the savings of over 2,000,000 depositors. This shows an increase for the year including interest credited of over $59,000,000.

The banks hold in addition to this sum a so-called surplus of $118,000,000, which makes a total of resources of $1,066,000,000.

It must not be forgotten, however, that in computing the surplus the securities have been taken at their market value which exceeds their par value over $48,000,000. This latter amount represents the difference between the rate of interest the securities bear on their face and the current rate prevailing at the time the reports are made, and will gradually disappear as the bonds mature. All securities have enhanced in value during the last five years, and a considerable portion of the increase of this fund is due to that fact.

But in spite of this increase the percentage of surplus to liabilities has not held its own, but according to the figures of the Bank Department, as reported by Superintendent Kilburn, shows a decrease of three quarters of one per cent. since 1895, and if the deposits continue to increase and the earning power of our investments continues to decrease, this lessening of the percentage surplus will be more marked in the future. I have used the word "surplus" in referring to this fund, as that is the name under which it has always been known.

I consider the name unfortunate, as it does not convey to the mind of the average person what it really is. I think the name "guarantee fund," which is used in many other States, much more appropriate. As we all thoroughly appreciate, it is a fund held for the purpose of guaranteeing the depositor against any possible loss which may arise from the depreciation in the value of investments or any other cause, while the income from it accrues to the benefit to all. Accepting this as the proper definition, the true function of this fund cannot be mistaken.

For the first time in the history of Savings Banks of this State the Legislature has deemed it wise to levy a tax of one per cent. per annum on the "guarantee fund" based on the par value of securities. This will take from the earnings of the banks about $700,000 a year. I sincerely hope and trust that future legislatures will not increase the burden.

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee report was read by Mr. McMahon, Chairman *pro tem*, as follows:

Gentlemen: The Executive Committee is again called upon to preface its report with the announcement of the death of one of its members.

Shortly after the last annual meeting, J. Howard King, President of the Albany Savings Banks, after a brief illness, died. Mr. King was a member of the Executive Committee from its organization, and by his regular attendance at its meetings and the prominent part he took in its deliberations evidenced his great interest in all that concerned the Savings Bank depositor. The vacancy caused by the death of Mr. King was filled by electing his successor in the Presidency of the Albany Savings Bank, William Bayard Van Rensselaer.

The bill to permit Savings Banks to loan their available funds on all bonds which they may now purchase was introduced by Senator Humphrey, Chairman of the Committee on Banks, at the request of your Committee, and has become a law.

In his inaugural message, Governor Odell recommended that the surplus of Savings Banks be taxed, and a bill was introduced by Senator Krum in the Senate levying a tax of one per cent. on the surplus of the banks, all securities to be taken at their market value.

A large delegation of members of the Association appeared before the Joint Committee on Taxation and Retrenchment in opposition to the bill; the bill was passed after an amendment had been added that the taxation should be on the par value instead of the market value.

THE SURPLUS, OR GUARANTEE, FUND OF SAVINGS BANKS

Mr. Hicks, of the Bowery Savings Bank, New York, addressed the Convention in part, as follows:

I hardly expected to be called upon to present this subject to you, and I must apologize for want of proper preparation. I will state briefly the facts that have transpired recently. The question in regard to the surplus of Savings Banks has, by recent events, been called to mind, and various considerations have been given to it probably by you all.

In looking at the matter it seemed that the word "surplus" was, in a degree, misleading and a misnomer. That is the word used in the annual report. As I understand it, it simply means the balance in the profit and loss account. It is not a constant. It varies from year to year and from time to time. Various subtractions are made from it by the declaration of dividends. Now section 123 of the laws, I find, states that the trustees of Savings Banks shall declare such a dividend as is practicable, so that depositors shall receive, as nearly as may be, all the interest and profits of the institutions that have been earned. That is mandatory. Then a saving clause says that they may provide a reserve to meet contingencies and other items—with which you are all familiar—that they may provide for it. As to that, it is not mandatory; it is simply permissive for them to do so.

I have given attention to the subject and wrote to our Bank Superintendent, asking him his interpretation of it, and asking him this pertinent question, which he answered. I have his letter which I won't take time to read now. It briefly states that the subject is not without its difficulties. He reasons partly from a decision given by the Attorney-General in 1898, I think, that only the interest accruing for the last period, the six months, can be applied to a dividend; that the surplus—and to use his own words—the established surplus shall remain intact and we shall not detract from it at any time. He says if we can do so we can detract from it one half or the whole, if desired. We have no right, as he claims, to distribute any more than the current six months' interest earned. I then put this very pertinent question. I said: "Our own bank has in

hand money derived from the sale of Government bonds or the exchange of bonds. We have received a large amount in anticipated interest." That is the substance of it, although it is not stated so in the program or the circular issued by the Secretary of the Treasury. It is in substance the anticipated interest of seven years. I asked him the question, shall that seven years' interest be distributed in the last six months or shall it be applied to the next current year in the discretion of the trustees? That has remained unanswered.

Now my contention is that the interpretation that has been made by the Bank Superintendent is erroneous in law, and not on good business principles. The law is mandatory only to one extent; permissive as regards the amount that we can retain. I have introduced this subject as being one occurring within my own experience. I have his letter and opinion of counsel.

Mr. McMahon: The question is, as I understand it, is it legal for a Savings Bank to take from its surplus in order to make up for any deficiency in the earnings that may be required to pay the usual—or any given—rate of interest?

In answering this question in the negative, I will first quote the law on the subject.

Chapter 689 of the Laws of 1892. Article 3, section 123 (this section has never been amended), says:[1]

> "*Rate of interest; extra dividends:* The trustees of every such corporation shall regulate the rate of interest or dividends not to exceed five per cent. per annum upon the deposits therewith, in such manner that depositors shall receive, as nearly as may be, all the profits of such corporation, after deducting necessary expenses and reserving such amounts as the trustees may deem expedient as a surplus fund for the security of the depositors, which to the amount of fifteen per centum of its deposits the trustees of any

[1] Since amended by the Banking Law of the State of New York, chap. 2 of the Consol. Laws, as amended by chap. 369 of the Laws of 1914, article 6, sec. 254–256.

such corporation may gradually accumulate and hold, to meet any contingency or loss in its business from the depreciation of its securities or otherwise. No dividends or interest shall be declared credited or paid, except by the authority of a vote of the Board of Trustees duly entered upon their minutes, whereon shall be recorded the ayes and nays upon each vote; but accounts closed between dividend periods may be credited with interest at the rate of the last dividend, computing from the last dividend period to the date when closed, if the by-laws so provide. Whenever any interest or dividend shall be declared and credited in excess of the interest or profits earned and appearing to the credit of the corporation, the trustees voting for such dividend shall be jointly and severally liable to the corporation for the amount of such excess so declared and credited. The trustees of any such corporation whose surplus amounts to fifteen per cent. of its deposits, at least once in three years, shall divide equitably the accumulation beyond such authorized surplus as an extra dividend to depositors, in excess of the regular dividends authorized."

This language is apparently clear; we are told that at regular quarterly or semi-annual periods the depositors shall receive as nearly as possible all the profits of that period, after deducting necessary expenses and such amount as may be reserved for the Surplus Fund, and also that this Surplus Fund, limited to fifteen per cent. of the deposits, is to be held to meet contingencies or losses in the business from depreciation of securities or otherwise. It will be observed that it does not say that this fund may be used to pay dividends, except that when amounting to over fifteen per cent. the accumulation over this fifteen per cent. is to be distributed at least every three years as an extra dividend.

It seems evident to me that the intent of the law is that the dividend declared must be earned, or, in other words,

that the earnings for a given period must at least equal the interest paid depositors; I do not think that the law ever contemplated giving power to Savings Banks to so handle their business that dividends might be paid irrespective of earnings. Whatever sums were earned in past years in excess of necessary expenses and dividends were credited to a Surplus Fund, to be used as directed by law; the purposes of this Surplus Fund are clearly defined, and among these purposes I fail to find one authorizing its use for the payment of dividends not earned.

We have, moreover, an opinion of the Attorney-General, who, in 1887, in reply to the following question of the Superintendent of Banks: "May the trustees of a Savings Bank use the surplus for the purpose of paying dividends in excess of the amount actually earned during the period for which such dividend is declared, until such time as the surplus equals fifteen per cent. of its deposits?" replied as follows:

> "When the statute . . . speaks of declaring a dividend, it means a dividend earned during one of the interest periods, or during the half or quarter year for which it is declared. The officers of the banks act for the depositors, who are entitled to all the earnings of their money during any proper interest period, less the authorized deductions for expenses and the surplus provided for in section 267 (now section 123). I find nothing in the statute which would authorize the trustees of a Savings Bank to withhold any earnings of one period, in order to add them to and increase the dividends of a subsequent period. This would work injustice to depositors, and result in depriving depositors who withdraw their deposits of the full amount of interest earned. They can only be withheld for the purpose of accumulating a surplus in the manner indicated in section 267 (now 123). Nor do I find any provision authorizing the use of the established surplus for the payment of dividends. The surplus, to the amount of at least

> fifteen per cent. of the deposits, is declared to be for the security of the depositors, and the statute contemplates its being kept intact for that purpose. There is an express provision for the disposition of the excess of the surplus. Such excess of authorized surplus must be divided as a dividend, once in three years. I am of the opinion, therefore, that it is the duty of the trustees of a Savings Bank to declare a dividend for each interest period, equal to the amount of earnings for that particular period, less the expenses and the amount properly applicable to the accumulation of the authorized surplus, as aforesaid, and that they should not retain the earnings of one period for the mere purpose of increasing the dividend of a subsequent period, nor use the established surplus for the purpose of increasing the dividend, except when such surplus exceeds the amount authorized by the statute, and in that case such excess of surplus should only be converted into dividends in accordance with the provisions of the statute above quoted."

In conclusion, and to resume, I beg to say that to the best of my judgment and belief, Savings Banks may not use their surplus fund for the purpose of paying dividends not earned during the interest period. They may, however, declare dividends up to their total gross earnings for that period, if they have a surplus fund to draw upon, without violating the law.

General Meserole, President Williamsburgh Savings Bank, of Brooklyn: I did not suppose there was any question in regard to what you could do with the surplus. I did not suppose there was any difference of opinion. I thought it was perfectly clear that you could not touch the surplus with which to pay the dividend, but that you can make such dividends as you please and put the rest into the surplus. I did not suppose there was any ground for argument on that point.

Mr. Kilburn, Superintendent of Banks: This is not a

new question to me. I have had it before me two or three times since I became Superintendent. I think my uniform opinion has been, wherever I have given it, that a bank had no right to use part of its accumulated surplus for the payment of interest to its depositors until, of course, that surplus amounts to fifteen per centum provided for in the statute, when it is obligatory upon the banks to divide the amount over the fifteen per centum.

I had a communication not long since from a bank asking me this question. In my answer to that communication I cited a case which has been decided in the Court of Appeals, I believe. I cannot tell you now what the case was, or where it is reported, but I had the case before me at the time. As I remember it, that case decided specifically that if dividends were declared amounting to more than the earnings for the interest period, in the absence of proof of fraud upon the part of the directors, it was not unlawful, and that the directors were not liable for having declared the dividend.

There is an opinion on file by the Attorney-General, given to my predecessor, upon this question. I think that Mr. McMahon speaks of it in his paper. It is to the effect that there is no authority in the law giving power to trustees to declare a dividend beyond the earnings for the interest period. Now my own opinion is that the law is settled upon that point, and I do not believe that a Savings Bank has the right to declare a dividend, or to pay interest, beyond the earnings of the interest period.

If you can declare a dividend for a greater amount than the earnings for the interest period, you can go to the limit allowed under the law which is, I believe, five per cent., and you may continue declaring dividends out of your surplus until your surplus is wiped out, because there is nothing in the law whatever obligatory upon the Savings Banks to accumulate a surplus. It is permissive. The law allows you to accumulate a surplus not exceeding fifteen per centum of your deposits on the par value. Now I know of no law which will prevent you from divid-

ing your whole surplus among your depositors if you have the right to divide any of it.

Now as to the question of safety, the question of good management, conservative management. It seems to me that it is a proper thing to accumulate a surplus. It is a safety fund. That is what the law meant it should be. It is for the purpose of protecting your depositors against any depreciation in the securities, or losses which you may make through loans. Now when you divide that surplus, or when the law gives you the power to divide a surplus already accumulated, you defeat the very purpose of the surplus. You do away with the safety fund which the law says you may accumulate and, it seems to me, that you absolutely defeat the purpose which the law had in contemplation when it said you might accumulate this surplus.

The theory of the law, as I understand it, is that you shall divide among your depositors all of your earnings aside from the expenses and a reasonable amount which you may carry to surplus. Now if you have carried an unreasonable amount to surplus, so much so that you now feel that you should have the privilege of dividing that surplus or part of it, then you carried an unreasonable amount in the first place to your surplus fund, and it opens the door so wide, in my opinion, if you admit or claim that you may divide your surplus—I say that opens the door so wide, brings up so many contingencies, and gives rise to so many diversified opinions in management among the Savings Banks that, in my opinion, it would become a dangerous practice.

I do not know but what I say may tread upon the corns of somebody who desires to declare a larger dividend than their current earnings will permit. That may be so, and if you had but one case to deal with, and that was the end of it, there might not be any great injustice done, or anything done which would be unwise, but this is a question which you have got to apply universally. It is a general proposition, and if one has a right to do it another has the

same right. If you establish the rule that a Savings Bank may divide its surplus, then I say that it may become a dangerous practice and endanger the safety and stability of the Savings Banks of this State.

It seems to me, that, as a general proposition, it is dangerous to claim or to admit that Savings Banks have the right to divide that surplus which has been laid aside as a reasonable guarantee or safety fund against losses occurring through loans or otherwise. I have looked up the question with some care and I can come to no other conclusion than that the law means that the reasonable surplus which you have accumulated for the purpose of guaranteeing your depositors against losses may not be divided among your depositors until that surplus fund amounts to more than fifteen per centum. Then you must divide it, and the law seems to contemplate that the sum is sufficient, that fifteen per cent. of your deposits is sufficient to guarantee their safety.

RESTRICTION OF SAVINGS BANK DEPOSITS

A valuable paper upon the subject of the restriction of Savings Bank deposits was read by Mr. Charles A. Miller, Vice-President of the Savings Bank of Utica. In the course of his address, Mr. Miller said:

The preamble to the charter of the Bank for Savings, Chapter 62 of the Laws of 1819, begins:

"Whereas the Society for Prevention of Pauperism in the City of New York have petitioned to the Legislature for an act of incorporation, for the laudable purpose of encouraging in the community habits of industry and economy, by receiving and vesting in Government securities or in stock created and issued under and by virtue of any law of the United States, or of this State, and in no other way, such small sums of money as may be saved from the earnings of tradesmen, mechanics, laborers, miners, servants, and others."

When considering any problem in Savings Bank management, I like to turn to these words of the founders of the Savings Bank system. They explain why Savings Banks exist, why they are guided by unpaid trustees, why they have received and are entitled to receive favors and exemptions at the hands of the Legislature. And, further, they furnish a criterion by which all Savings Bank policy may be tried.

They prove that the Savings Bank system was introduced, not as a means of investment for the rich, not even as a convenience for the well-to-do, but for the "laudable purpose" of encouraging the poor in habits of industry and thrift.

How needless it ought to be to restate this familiar fact. Yet it cannot be insisted on too strongly. It is not understood by the community at large, with the result that many are jealous of our privileges and criticise our management. It is ignored by the Legislature and we are taxed. When it shall be forgotten by Savings Bank officials, the whole system will be imperilled.

Let us, then, remember the chief object of our existence and bear in mind that any policy of management which in any way hinders us in fulfilling it is essentially bad.

Now it cannot be disputed that many banks have sought or at least have received large deposits without inquiry as to whether or not the depositor belonged to the class which needed encouragement in "habits of industry and economy." This is not surprising, for we all like to feel that the interests committed to our control are growing more important, that our bank is outstripping its neighbor. Then, too, in the large city institutions the enormous number of transactions makes it a practical impossibility to institute personal inquiry as to the desirability of each deposit which is offered. Nevertheless, though this state of affairs may be natural, it has still been an injury to the Savings Bank system. Superintendent Kilburn in his report of 1899 says:

"Excessive deposits made only for investment by men

competent to care for their own interests give the most reasonable cause for criticism of the Savings Bank system, affording those who would impose unreasonable exactions upon banks an excuse for their attitude."

At the beginning of the only serious run in our history our average deposit was $346. About ten days later, when the run was over, this had fallen to $301, and we found that the average size of the accounts closed during this period was $535.

Mr. McMahon: I only want to refer to the statement regarding the depositing in our institutions of a very large amount of money by the well-to-do classes as being, to me, exaggeration. I may be wrong, but I am gauging my judgment of this matter from our bank which, I take it, is a very fair criterion of the banks of our city. I can say truthfully that in our bank, and I have watched the matter very closely, the aggregate of such accounts is a mere bagatelle when compared with the gross amount of deposits. I have noticed in the last year or two that we have received quite a good deal of money from widows and orphans, money that comes to them through some of these benevolent insurance associations, and we believe that that money is just as legitimate Savings Bank money as the ten-dollar deposit of a servant or laborer.

Mr. David Cromwell: I presume every Savings Bank has found more or less among its depositors those who had no right to be there, and while I disagree with the gentleman entirely in his proposed legislation because I think the injury would be greater than the benefit, still it seems to me that this Association of the New York State Savings Banks should put itself upon record in regard to this matter of large deposits by persons who simply use the Savings Banks as an investment, and I suggest that a resolution, something in this shape, should be passed by this Association:

Resolved, That it is the sense of this Association of the Savings Banks of the State of New York that every bank should discourage and absolutely refuse all deposits where

they are satisfied that the depositor is entirely capable of caring for his investment according to the true intent of the law.

The above resolution was passed.

DORMANT ACCOUNTS

Mr. Hurlbut: We have been threshing out wheat; I want to thresh out a little chaff. Mr. Miller made use of the expression, "Unclaimed deposits." I don't think he meant that exactly. You will all agree with me that there is no such thing as an unclaimed deposit. Any deposit is liable to be claimed. There are deposits which are dormant and they give us a great deal of trouble. I think they are something like the history of the snakes in Ireland. There are no snakes in Ireland and there should be no dormant accounts. I have assurance enough to suggest a little advice which I think I am perfectly competent to offer after many years' experience in dealing with these accounts. If accounts become dormant, or have not been drawn on for ten years, I consider it absolutely necessary that the Savings Bank officers should at once start to find that depositor and make the account no longer a dormant account. Do this before it becomes dormant, in the ten or eleven years. If you cannot get him in these ten or eleven years he is pretty hard to find. Therefore the way to have no dormant accounts is to begin early. Don't let them run too long.

In addition to that, I think one error that certain of our older banks have made is that they do not take a sufficient identification at the time of opening the account. If a man comes into our bank and makes a deposit, he is very well known to all of us. We take his pedigree and all that, but at some time or other he drops out of sight and at the end of twenty years the account becomes dormant. Nobody remembers him, either. If we begin early the matter can be traced. You have the man's birthplace, the names of his parents but don't always know whether they are

living or not. After a long search we discover John Smith: we find such a name on our books. I think we would be glad to give that information to any bank that wants it, and how much better it would be for us if all the banks endeavored to help one another all the way through.

In this connection a suggestion has occurred to my mind. The Bank Department at Albany has a list of all unclaimed deposits. I spoke to the Superintendent about it a few minutes ago, but he did not have time to go into it fully. That department having a list of these so-called unclaimed deposits should send to each bank this list of wanted depositors. Then, speaking for myself, I should take the list and go over it very carefully, and if I found I had a name of somebody who was wanted I would look at my book and see when I last had a transaction with him and I would communicate with the bank wanting him and put them on the trace of him. That seems to me to be a very reasonable suggestion. Take, for instance, a bank in the centre of the State. Your young men come down to the metropolis, you lose track of them, perhaps the family or the parent stock have all died, and you don't know what has become of the boy except that he came down to New York. If he comes down to New York he is probably a clerk, and, in that position, he probably opened a Savings Bank account, and we may know him, but he has dropped out of your sight altogether. New York is a big place. We may have him on our books. If he lives in a boarding-house his address is often of no help when his account becomes dormant. But he was born up at Rome perhaps, or somewhere in that neighborhood. The Savings Bank there knows the family and probably the oldest inhabitant there says: "Why, yes, I remember that man." In Syracuse, perhaps, David Harum will say that he remembers that man's family, and I think it would be of mutual assistance to ourselves if some such action as that was taken. Mr. Kilburn said he thought it would be rather

objectionable to have that list go out, because it would fall into the hands of those who wanted to use it for improper purposes, but it seems to me the list might be prepared and each name prefaced by a number, and if we desired information respecting any one we would write to the department stating the number which prefaced the name and the department would give us the name of the bank in which the deposit was. Something of that kind will help us. I should like to have that matter left to the Executive Committee to see if they think there is anything in it. The older banks feel very keenly the necessity of doing something of this sort. We ought to have no jealousies and we ought to be willing to help one another all we can. It seems to me here is one way to do it.

CHAPTER IX

Ninth Annual Convention—Retirement of Andrew D. Mills as President, and Election of Charles A. Schieren in His Stead—Deposits in the Savings Banks of the State Reported the Largest in Its History—Adoption of a Resolution Looking Toward Discouragement of Individual Action—Paper on "Sound Money" by Hon. E. J. Hill, of Connecticut.

THE meeting of the Ninth Annual Convention, held in the City of New York on the 7th of May, 1902, marked the retirement of Mr. Andrew D. Mills from the Presidency of the Association and the election of Mr. Charles A. Schieren in his stead. The retiring President was given a hearty vote of thanks for the efficient manner in which he had presided over the deliberations of the Conventions for the past two years.

In his opening address, Mr. Mills said:

It is my pleasure, as well as my duty, to bid you welcome to the Ninth Annual Convention of this Association. Reaching on January 1, 1902, the enormous total of $1,014,000,000, the deposits in the Savings Banks of the State are the largest in our history. This is an increase for the year of over $67,000,000; total amount, including surplus, $1,131,564,624.

But of more importance even than this increase of money saved is the increase in the number of individual depositors. The number of depositors to-day is 2,174,511, or about one in three-and-one-half of the entire population of the State. As the vast majority of these are wage-earners, the increase evidences not only the disposition to save but the ability to do so. Every en-

couragement should be held out to the working classes to lay by some part of their earnings, and thus become personally and financially interested in the preservation of law and order. Nothing goes further in the making of a good law-abiding citizen than the possession of a Savings Bank book.

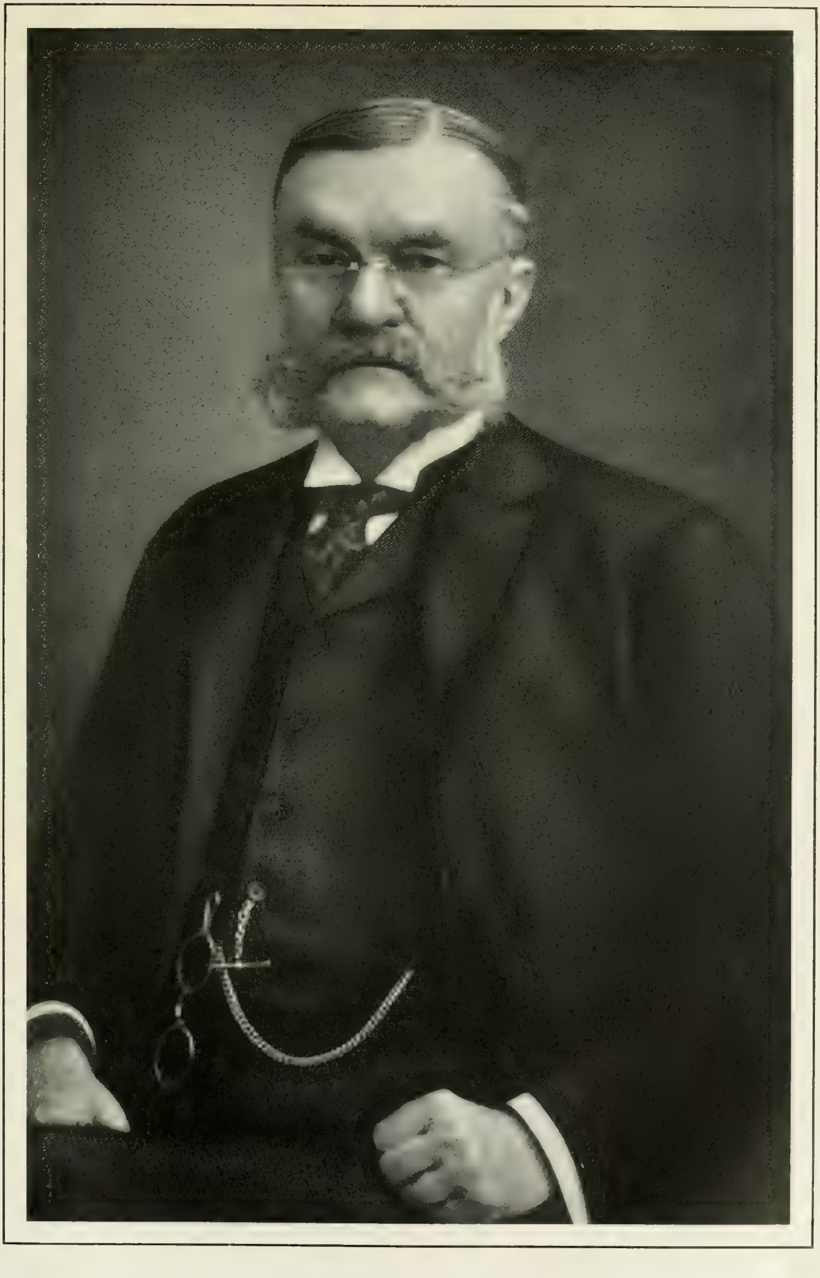
It is interesting to note that to-day the depositors of the Savings Banks of this State could pay the entire national debt of $931,000,000 and still have $200,000,000 remaining.

As the deposits continue to grow and the number of depositors continues to increase, the importance of the trust grows in even greater ratio. As in the past, conservatism and care are necessary in guarding this immense aggregation of widows' mites and workingmen's savings.

The Association sustained a great loss in the sudden death of Senator L. H. Humphrey, for many years Chairman of the Committee on Banks of the Senate. He had through his long service become thoroughly familiar with the needs of the Savings Banks, and was heartily in accord with all beneficial legislation. He was a broad-minded man, honorable and straightforward, quick to recognize the right, and fearless in his denunciation of that which was harmful. I had grown to esteem him highly as one who represented the best in the political world and regard his death as a personal loss.

Before vacating the position I have occupied for the last two years I wish to bring to your attention a matter which I deem of the utmost importance to the successful continuance of this Association.

What I have to say is said in all kindness, and I trust it will be received in the same spirit. It goes without saying that the strength of an organization depends entirely upon unity of action, and if any question arises upon which there is a difference of opinion the voice of the majority should prevail. These fundamental truths apply to the Savings Banks Association as well as to any



CHARLES A. SCHIEREN

PRESIDENT, 1902-03

other. Nine years ago this Association was formed for the main purpose of making united action on all important questions affecting the Savings Bank system possible.

From the first it was a great success, and year after year it grew in usefulness and strength until it had attained a position where its voice was listened to and its recommendations respectfully considered by the different branches of the Legislature and the Chief Executive of the State. The strength of this position lay in the fact that when your executive officers took a position at Albany before the Governor or any of the Committees of the Legislature, it was known that the united force of all Savings Banks of the State was behind them. Destroy this unity and you make the efforts of your officers futile.

I trust that later on action on this matter will take definite form, and the question be settled once for all.

At a later time in the session, the matter was brought up by Mr. Hanaman, who said:

I am going to offer a resolution which you can discuss and pass if you like. It seems to me that the Executive Committee is of no use, and practically the Savings Banks Association is of no use, to the Savings Banks of the State of New York unless the Executive Committee, when it speaks to the Legislature of the State of New York, represents the Association and not its individual members.

"*Resolved*, That the prosperity, influence, and strength of the Association is dependent upon the harmonious relation of its members; and it is the sense of this meeting that in the future no action should be taken, by public expression, of any divergence of opinion between the Executive Committee and the individual members, unless, through a special meeting to be called, such public expression of opinion is authorized."

Mr. Rosendale: I am very glad that Mr. Hanaman has offered this resolution. I was complimented by the

request of your Executive Committee to appear before the Governor upon the hearing on the question whether the Los Angeles Bill should or should not become a law.

Without discussing the question as to whether the Los Angeles securities are good, bad, or indifferent, I think the question which we ought to consider is the highly important one concerning the future welfare and influence of this Association. I am not a member of the Executive Committee, but, while discussing the question before the Governor, I recognized the great value and importance of this Association, and I also recognized that, in order to have the Association continue its influence, it is of the utmost importance that your officers and your Executive Committee be clothed with full authority, which alone will give them power.

I was mortified beyond expression to find that, notwithstanding the fact that after consideration by your Executive Committee, and after action by your Executive Committee in opposition to the adoption of any bill other than the Krum Bill this winter, nevertheless there were found communications from Savings Banks of importance and of influence, from gentlemen of high standing both as citizens and Savings Bank officers, apparently recommending the adoption and the signature of the Governor to that bill. I need not to say to you what a serious disappointment it was, not only to the members of the Executive Committee who had gone to Albany in the faithful discharge of their duties but I want to express here my extreme mortification at finding such evidence of want of harmony and, if I may say so, want of loyalty to the Association to what I regard its best interests. We cannot always be right; we are human. But we must confide our affairs to men in whom we have confidence, and when they have acted for us it seems to me that our highest and best duties demand that we should stand by them, regardless of our individual opinions and in spite of our personal views.

I therefore very heartily approve of this resolution, and I trust that the Association will adopt it.

The resolution was adopted.

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee reported that the so-called Krum Bill, which amended the Banking Law relative to securities in which deposits of Savings Banks might be invested, enlarging the scope of such investments, had become a law. The Committee at the same time registered its objection to any further enlargement of the scope of investments beyond the original bill introduced by Senator Krum.

Attention was called to the fact that a bill had been introduced by Senator Green on March 10th, entitled "An Act to amend the laws relative to the investment of deposits of Savings Banks in the stocks or bonds of certain cities."

The report continued:

Your Committee then requested that the Governor give a hearing in opposition to the bill, and such a hearing was granted. Mr. Mills and Mr. Rhoades, of the Executive Committee, and Mr. Simon W. Rosendale, President of the National Savings Bank of the City of Albany, spoke in opposition to the bill. Senator Green appeared in its favor; and to the surprise and mortification of the members of the Executive Committee, who were at the hearing, he produced a number of individual letters or petitions, signed by officers of different Savings Banks throughout the State, urging the Governor to approve of this bill; and the Governor subsequently signed the bill.

It has taken a number of years to convince the executive

officers of the State and the Legislature of the integrity of purpose and the honest interest which Savings Bank officers possess in the interest of Savings Bank depositors in the State, and this moral force has become so great that for the past few years its power has been recognized by legislator and executive alike; and the voice of Savings Bank authorities, heard through the Executive Committee of this Association, has been powerful enough to defeat bad legislation, and powerful enough to carry weight in securing good legislation. This feeling has been so well understood in the Legislature that during the past year not one single Dormant Account Bill was even introduced. Bankers and brokers having bonds to sell had come to recognize the utter impossibility of securing by honest or dishonest methods the passage of any bill which did not meet the approval of the Association. Therefore it is exceedingly unfortunate that a division should have occurred which has broken down—at least temporarily—the strength of the Association, and, in all probability, rendered the work of the coming years harder than ever.

Mr. A. T. E. Lansing, of the Jefferson County Savings Bank, presented an interesting paper on Banking Methods.

"SOUND MONEY"

The Hon. E. J. Hill, of Connecticut, addressing the Convention, said:

While we may not all agree concerning every feature of this measure (House Bill 13,363, "A Bill to Maintain the Gold Standard, etc."), of one thing I am sure, that, representing as you do more than two million depositors in this State, and over a billion in amount of the savings of your people, you not only strive to guard with jealous care and keep in perfect safety the trusts committed to you, but when the savings of the past are called for in times of stress and sore necessity, your duty and your

pride as well will lead you to meet those calls with money that is good the world around and with the highest purchasing power everywhere.

So far as deposits are made for investment purposes, they are a tribute to your sagacity, and their great increase is a testimonial to the confidence which is placed in you; but the weekly savings which are entrusted to you represent the vigor and strength of active life which are stored and held till age and weakness make their use imperative, and any shrinkage in the purchasing power of the money which measures these means just so much less of comfort and so much more of deprivation when old age comes.

It is, therefore, to the everlasting credit of the Mutual Savings Banks of this State that when the kind of money in which those deposits should be paid became a disputed political question in '96, you promptly declared, "that in our judgment the future prosperity of the country and the welfare of the people demand not only that the gold standard shall be maintained, but the currency system now in use shall be so changed and remodeled as to meet and adapt it to the increasing needs of commerce, and equal in security and credit with the best in circulation by any of the civilized nations of the earth."

The United States has no more right to put in circulation money which it will not redeem in the money of the standard which it has itself proclaimed than an individual has to issue his note with the deliberate intention of defaulting in its payment.

Hon. Lyman J. Gage, who filled the position of Secretary of the Treasury with an ability equalled by few men in our country's history, told the simple truth when he said, "The Government might just as well face the redemption at the front door as to delay until it must take it under the revenue laws at the back door." The danger is ever present in our financial system, and it is far safer to find it out and be prepared for it than it is to ignore it and have it find us unprepared, as it did in '93.

"A prudent man foreseeth the evil and hideth himself, but the simple pass on and are punished."

I commend this proverb, with all it implies, not only to those who, having given little thought to the question, are content to "let well enough alone," but especially to those who, fully realizing the situation, are indifferent to it because a Congressional election is approaching. Is the currency system of the United States always to be a political football, only to be kicked back and forth between the parties, and, when the game is finished, to be laid away as a trophy of victory, battered and bruised and soiled with the dirt of party conflict? Three months ago the National Board of Trade recommended "that Congress enact such legislation as may be necessary to put this country on a permanent gold basis," and by specific votes declared that the retirement of the greenbacks and the exchangeability of the silver dollar for gold were essentials to that end.

On the 5th of March the New York Chamber of Commerce, upon an elaborate report prepared by John Harsen Rhoades, Henry W. Cannon, E. H. Perkins, Jr., August Belmont, and George G. Williams, unanimously voted that "the first stone in the foundation of the structure of national credit is the inviolate character of its unit of value, and now is the time to complete the Act of March 14, 1900," and to that end favored the exchangeability of the silver dollar with gold.

When you add to this the fact that one great Committee of the House of Representatives has reported a bill deliberately putting the government of the Philippine Islands into the banking business to maintain the parity of a full legal tender silver coinage at a ratio of two for one, and that coinage issued with the openly avowed purpose of perpetuating the wage system of the Islands on its present silver basis, and then supplement these things by a report of the Senate Committee on the Philippines in favor of the unlimited coinage of a full legal tender silver dollar on private account as the currency system of the

Islands, and add to that that this dollar may be coined in San Francisco from American bullion, with the great probability that it will enter into American circulation precisely as the trade dollar did, is it not high time that the sound money men of the United States should demand from their Representatives and Senators, and their President and Cabinet, that the overwhelming victories of '96 and 1900 for honest money and a sound financial system should not be frittered away and go for naught?

Gentlemen, there is no room in a gold standard system for fiat money. The financial barometer of this country to-day is the accumulation of gold in the Government Treasury, and we watch each day for its rise and fall. Every dollar of it above a fair working balance should be employed in the industries of the country, and is so used by every one of our commercial rivals. Who thinks of looking at the Treasury holdings of any European country to judge of the possibilities of a panic?

It is fiat money which has made impossible every scheme for the improvement of our banking system since the Civil War. The greenbacks should be paid and the ultimate retirement of the legal tender silver dollar provided for now, and meanwhile made exchangeable for gold. It could be done, as Mr. Gage said to the banking and Currency Committees, "without making a ripple upon the financial surface of the country." He had the power to do it, and the courage, but Congress would not permit it. Charles S. Fairchild had the courage but not the power. If this was done, a banknote issue redeemable in gold could be provided which would respond to every legitimate trade requirement, and by its economy save to the business interests of this country in the next five years more than the amount of the entire volume of the outstanding greenbacks. Think of the difference between a greenback and a banknote. So far as the issuing is concerned, the greenback has absolutely no relation to trade and commerce, for the Government borrows but never lends, and cannot issue currency except to pay

an existing debt which represents past consumption as the greenback represents debt incurred in the Civil War. But a bank lends and is not supposed to borrow except from its depositors, and when it issues its note, it swaps its credit for its customers' credit, and at the time of issue receives back something which it can use to cancel its own obligation when it is presented for redemption. One deals with the past and pays for "horses" which are eternally dead, the other with the future, and buys live and productive assets. First—that it is a loan without interest. Second—the sentimental one that it saved the nation in the Civil War, and must now be held as sacred as a soldier's grave.

For reply to the first I cite you the report on the pending bill on page 7, where the Actuary clearly proves that the cost to the Government of maintaining the greenback since resumption in '79 has been nearly seven per cent. per annum. For reply to the second, I have no recollection that the "grayback" of the Confederacy had any such effect upon its fortunes, and therefore compelled to believe that the resources of the North rather than its liabilities were the deciding factor in that conflict.

The fact is that we are flying in the face of the experience of the whole commercial world by maintaining a system of fiat money, and this bill recognizes that and proposes to get back slowly but surely to the solid ground of gold as the legal tender, silver as subsidiary coin, and banknotes as the instrument of trade. The bill proposes, first, to stop the further coinage of the silver dollar, to use the bullion remaining in the Treasury for subsidiary coin, and, when public necessities require more, to begin the recoinage of the dollar into subsidiary. It has been strongly urged that the United States should follow the example of Germany and Japan, in melting down and selling all of our legal tender silver which is not in actual circulation, but this means assuming a loss of fifty-nine cents on every dollar so treated, and recoinage means a nominal gain of about seven cents on every dollar

which can be permanently held in circulation. The difference between the two plans would aggregate about three hundred million dollars. The second feature of the bill, for the providing for the maintenance of the Gold Standard, is the retirement of the greenbacks. In my judgment this should be by the direct and independent action of the Treasury, for they are a Government debt and in no sense a bank obligation. The complications which are certain to arise by throwing a part of this burden upon the banks are wholly unnecessary, and there is no essential relation, even in point of time, between the withdrawal of the greenback and the issue of the banknotes, for whenever a greenback is paid, a gold dollar will go into circulation, and the banknote is only a credit instrument and not a legal tender; but the Committee thought it would be politically wise to induce the banks to assume the current redemption of such an amount as could not be canceled with the gold now in the Treasury, and in that way divest the Treasury more promptly of its banking functions, even if it did delay the date of their entire payment somewhat. . . . Provision is made for the change from bond-secured to asset note issues, without reference to the present limitation of three millions per month, and in view of the fact that the present bond-secured circulation is over three hundred and twenty million dollars, there is little question but that one hundred and thirty millions of it would be promptly changed in order to realize the greatly increased profit which this plan would give.

If it was so changed, as I have no doubt but that it would be, the entire volume of the greenbacks would be retired and canceled within twenty-five years, and any increase of the present amount of banknote circulation would hasten the happy day. All of the United States could join in singing the old hymn, "Believing, we rejoice to see the curse removed," and so far as the world is concerned, fiat money would be dead and buried. Seven years ago, when I entered Congress and was appointed

by Mr. Reed as a member of the Banking and Currency Committee, I was a sincere and enthusiastic advocate of a bond-secured currency and an independent bank system. Persistent inquiry, constant study, and patient investigation have brought me squarely to a belief in asset note issues and branch banks, and I believe will bring any man there who will pursue the subject with an open mind. I declare it as my honest belief as a bank officer, with a modest interest in the game, that the sole stake which the banks are now playing for, in dealing out banknotes, is the profit on the bonds, and that not a single dollar of the three hundred and twenty millions circulation now outstanding remains out with reference to any commercial transaction. . . .

How could it be otherwise in view of the fact that at least thirty-two million dollars is locked up in premiums when it should be available for commercial purposes? As the national banking system was instituted for the purpose of making a market for Government bonds, it is only fulfilling the plans of its creator; but conditions have changed in forty years, and there is no reason now why one hundred and ten dollars of capital should be locked up in bonds in order to put one hundred dollars of notes into circulation.

This bill gives an asset note issue of sixty per cent. of the capital with a tax of one fourth of one per cent. on the first twenty per cent. and one and one fourth per cent. tax on the other forty per cent. and a profit to the banks, above all expenses, taxes, interest on redemption funds, cost of carrying greenbacks, etc., of at least four and one third per cent. or a corresponding reduction of interest rates to the country, or, preferably, a fair division between the two.

On the three hundred and twenty millions outstanding it means a gain to somebody of more than ten millions annually, and a very much larger amount, proportionately, in those portions of the country where higher interest rates prevail. If three billions of deposits are safe,

the three hundred of asset notes would be. . . . In my opinion it is safe, far safer than the banknote systems of any other country, and fully as safe as the present bond-secured banknote, for I do not believe that a single dollar in either case could ever be defaulted.

The principle of asset banking is equally applicable to large or small banks. The difference between the two is that the large bank is an ever-present help in time of trouble, and the little one is apt to be an ever-present trouble when help is needed.

Of course economy of management is found in the large bank rather than the small one, but, if we are to be controlled by our prejudices, we must be willing to pay for the privilege.

With an increased profit to the banks shown, and with safety provided for, the unquestionable advantages to the people of an elastic banknote issue are so great that it would be presumption to discuss them before a bankers convention.

I wish to bring to your careful attention the subject of branch banks. When a man finds himself at variance with the universal opinion of mankind it is high time for him to doubt his own infallibility, and this is the position in which the opponent of the branch bank system is placed to-day, for, after a careful examination, including the laws of forty countries, I can find no government in the world where branch banks are not permitted except our own; and even here they are excluded by the laws of only twenty States and by the National Bank Act, and even that act permits them where the State Banks come into the system with branches already in existence. France has a branch of the Bank of France in every department of the Republic. Europe and South and Central America are solidly in favor of the system.

Voyaging around the world last year, I found branches of British banks throughout the Philippines acting as commercial drummers for English trade and financial agents for our Government at the same time.

German, English, Russian, every one our commercial rivals in the Orient, but not an American bank and hardly an American ship. All through Japan, English, German, and Russian banks are taxing American trade by excessive charges for exchange on London, and from Vladivostok to Moscow, straight through Siberia, German branch banks and department stores are laying foundations for the future trade of what is sure to be one of the great markets of the world.

In the city of London alone there are fifty-eight incorporated banks, with four hundred and fifty-three million dollars of capital, and one hundred and seventy-six millions of surplus and undivided profits employed in international trade, with twenty-two hundred and fifty-three branches scattered all over the world, extending English prestige and developing English trade everywhere, and we pay tribute to them. The Committee on Banking and Currency could see no reason why American capital and American enterprise should not do its share in promoting American trade in other lands, and long for the time when the American national banks will fly the American flag and care for American interests in all the great capitals of the world. In Germany the Imperial Bank, with average loans of $138,030,935, had a percentage of expense of twenty-three tenths, maintaining 330 branches. The Bank of France, with 392 branches and average loans of $157,040,000, had a percentage of expense of nine-tenths.

When we consider that both of these institutions perform much of the work transacted by the Treasury here, and, in addition to this, that the Bank of France is compelled by law to discount notes as small as one dollar in amount, which adds greatly to the expense account, the difference in cost of maintenance of the branch and independent systems is plainly seen. . . .

That the expense account is a very important factor in affecting the general result is clearly shown by the strenuous claims put forward by the independent banks

that they could not compete with the branch system, and, therefore, that the existing banks would be driven out of business. I admit that in many cases this would prove true, but in the end it would mean the survival of the fittest and result in inestimable advantage to millions of borrowers who have a right to have their welfare considered in framing legislation. And I know of no reason why a bank should be restricted to one place of business any more than an insurance company, for a fair distribution of risks is just as essential to safety in one case as in the other.

But I do not believe that the stockholders of any bank which has a reason for existence would suffer by the change, for every such institution well established could enlarge its field of work without a proportionate increase of expense. The process is going on every day now, on the "community of interest" plan, and it is far better to have it done under the law than outside of it. How absurd it is to fear that the parent bank will suck deposits from the branches and give back nothing in return. Was it for this or the reverse of this that the French Parliament compelled the Bank of France to establish branches in every department? Is it to aggrandize London, or to build up the Colonies and so make money for themselves, that the British Joint Stock Banks have followed the English drumbeat around the world?

Do independent country banks send their funds to their reserve agents at one and one half or two per cent., when good loans are offered at home at five or six per cent.? And now as Savings Banks managers and investors in Government bonds, as officers and stockholders in national banks, what is to be your policy in the future? If the character of security is to be changed, admitting the bonds of States and cities, it only adds to your troubles by bringing another buyer into the field and lessening the returns from your investments. To longer depend on Government bonds as a basis for circulation is impossible,

for the requirements of the sinking fund will soon exhaust the supply, and the increasing premium is even now forcing the withdrawal of circulation as fast as the law permits. There is no probability whatever of bond issues in the future, for whatever else of good or ill came to us from the Spanish War, it demonstrated as never before that the possibilities of taxation in this country have hardly been touched. It is a bit of unwritten history of that war that at its beginning Secretary Gage intended to issue but one hundred million dollars of bonds for immediate contingencies, and to rely upon taxation for funds to carry it to a successful conclusion. He was overruled by those who did not realize as he did the resources of this great country, or who lacked the faith which he possessed in the patriotism of the people.

As a result, two hundred millions of bonds were issued, of which one half are still outstanding, on which we must continue to pay interest till 1908 or buy them at heavy premiums.

REMARKS OF HON. LYMAN J. GAGE

Mr. Lyman J. Gage, former Secretary of the Treasury, said: I thought on this occasion that I was going to have the pleasure of listening, and I did not for a moment suspect that I should be called upon. I want to say, however, that I have not been disappointed in my expectation of being instructed. I sympathize absolutely and fully with all the principles so ably presented and so eloquently expressed by the Congressman from Connecticut, Mr. Hill. It would be foolish, idle, and like an anti-climax for me to undertake to add anything to the force of his argument.

For a number of years it was my duty and privilege to come into very close contact with the financial question as our country is interested in it, and in all its aspects which have been so well covered here to-day. In that study I have had frequent conferences with the gentleman who has just addressed you. My mind has always been

strengthened and enlightened by my discussions with him. There are others, not so many as there should be, but enough to give promise of great usefulness to the country in the future in their labors in the Congressional hall, and there are many outside of that body who are studying carefully, conscientiously, and intelligently these great problems.

It is the fashion too much, gentlemen, to make light of the serious study of this question. If you will not study thoroughly and carefully so as to get at the principles which make so eagerly for the welfare of the country, if you will not study them thoroughly so that you are able to grasp all of the principles in detail for your own sakes, you should do so to give in some degree confidence to these men who, standing apart without any interest of their own to serve, are studying these problems for you and trying to accomplish something for your everlasting benefit.

Mr. Rhoades: I am sure that I echo the sentiment of every gentleman here present in saying how much we have all enjoyed this address by the honorable representative in Congress on this very important question. As Savings Bank officers we are directly interested in what makes for the welfare of the masses of our working people. More so, perhaps, than any one else because we are their trustees. We are the custodians of their thrift. If these people are to remain prosperous, if this country is to grow, if employment is to be steady and regular, the basis of our currency upon which their wages rest must be inviolate in its character. Therefore, we, as Savings Bank officers, endorse any plan that is feasible which will make the obligations of the Government redeemable now and at all times in a gold dollar.

Therefore he may take back to Washington (I am sure from all of us here) the feeling that he has our hearty coöperation in any scheme which will bring about that result. The currency of the country must be based upon the assets of the banks. You may put off the day, Con-

gress may delay and hang back, but in the end that has got to be the result, and the sooner that comes the sooner this country is going to be established permanently upon a basis of prosperity, and the sooner it is going to be for the benefit of the people at large.

CHAPTER X

Tenth Anniversary of the Association—Work of the Executive Committee—Committee to Consider the Question of Establishing Branch Banks—An Able Paper on the Currency Question by Hon. Horace White—Other Notable Addresses—Legislative Hearing on the Mortgage Tax Bill.

THE Tenth Annual Convention was one of the most notable in a long series of similar gatherings. It was held on May 12, 1903, in the splendid new building of the Chamber of Commerce, with an unusually large attendance.

In his address, President Charles A. Schieren said:

Gentlemen and members of the Savings Banks Association: I bid you welcome to this the tenth anniversary of our Association; I welcome you to this palatial building which stands as a noble monument to the commercial enterprise of this city.

It is now a decade since the Savings Banks Association of this State was organized, and it may be of interest to give a brief history of its growth during that period. The official report for the year 1893 of the Banking Department at Albany is as follows:

Due to depositors	$629,358,395
Number of depositors	1,593,804

The report for 1903 shows as follows:

Due to depositors	$1,077,383,743
Number of depositors	2,275,385

showing a gain during the ten years in deposits $448,025,348 and in the number of depositors 681,579, an increase of seventy per cent. in deposits and forty-three per cent. in depositors. These figures speak volumes for the thrift and enterprise of our people.

While abroad last year I noticed an article published in the London *Times* entitled "English Thrift." It gave the statistics of the growth of Savings Banks in England. The report gave the number of depositors in the Post Office Savings Banks at 8,046,680, and their deposits at £138,818,175, or $694,093,750. It also reported the number of depositors of the Trustees' Savings Banks (a system of Savings Institutions somewhat similar to our Savings Banks) 1,601,485, and their deposits at £57,196,458, or $275,982,293. I was somewhat surprised at the low average of the Postal Savings Banks.

The average deposits in the Postal Savings Banks were $86.25, and the average in the Trustees' Savings Banks $172.25, the average of our depositors ranges much higher according to the report, our average for this year (1903) is $429 per depositor. However, both the English Postal Savings Banks and the Trustees' Savings Banks limit their deposits to £200, or $1,000, but even with such a limitation our average would still be higher proportionately than the English.

It is most significant that the number of depositors in the Postal Savings Banks is unusually large, and their average deposits low, which proves that this institution is especially popular and most beneficial to the masses. It seems to reach a class of depositors which we fail to reach, who need some means to deposit their surplus earnings for safekeeping. I have especial reference to the farmers and laborers in the rural districts who live away from all banking facilities. At the present our people who live in the rural districts do not enjoy the same privilege.

In the same copy of the London *Times* appeared another interesting article entitled "National Money Boxes," which gave a flood of light on conditions and prosperity of these two savings institutions. The writer criticised

them severely, claiming that these institutions, while beneficial in a way, proved a burden to the taxpayer. The Government has to pay the deficits constantly arising in their management. It seems that the Savings Bank report suggested a reduction in the rate of interest paid on deposits from two and three quarters to two and one half per cent. in order to meet the current expenses for the year, showing that our American depositor has quite an advantage in the rate of interest over his English cousin. Judging from this article, the English Postal Savings Banks system does not seem to be a financial success to the Government; it is, however, a great convenience and benefit to the people. The industrial development of our country during the last ten years has been marvelous; it has surprised the whole civilized world and has made the United States the foremost commercial nation of the world.

We are largely indebted for this proud position to the enterprise and energy of our people, especially to the thrifty mechanics and artisans who by their natural ingenuity are constantly inventing improvements in labor-saving machinery and substituting machinery for hand-labor, which enables our manufacturers to produce their goods cheaper and better than those made by hand. American goods are popular and in demand everywhere, and we can now compete in the markets of the world.

While we have made rapid strides in our exports, it is, after all, our domestic or home trade that shows our greatest gain. The figures are astounding. The last official statistics report our exports at over a billion dollars annually, this large sum, it is estimated, constitutes only five per cent. of the volume of our domestic trade. This proves conclusively that our people are prosperous. While Americans are generally considered extravagant in their mode of living, the figures of the last report of our Savings Banks proves that they are also frugal, are anticipating a rainy day, and are anxious to lay by some of their hard earnings. We should encourage the people to be prudent in times of prosperity.

Those who attended the hearings at Albany must have been impressed with the lack of knowledge displayed by some members of the Legislature in reference to the laws governing and regulating the Savings Banks of our State. It has been suggested that we establish a Bureau of Information, or, rather, Education, publishing documents of an educational character, giving a complete history of the Savings Banks of this State, and embodying the various laws and restrictions governing Savings Institutions. Such documents should be mailed and distributed among all members of the Legislature at the opening of the session for the benefit of new members of the Legislature, giving them a thorough knowledge of the laws governing Savings Banks. There seems to be a disposition on the part of some bankers to rush to the Legislature and introduce bills legalizing investments in railroad bonds for our Savings Banks. It is of the utmost importance that our Association discourage every attempt made in that direction, unless the bonds are approved by the Executive Committee.

WORK OF THE EXECUTIVE COMMITTEE

The Executive Committee elected at the previous meeting of the Savings Banks Association was called together on the 14th day of November, 1902, by President Schieren.

Mr. Conklin was elected Secretary, and W. B. Van Rensselaer Chairman, of the Executive Committee.

The attention of the Executive Committee was called to the fact that some of the trust companies and department stores were practically carrying on a Savings Bank business. The Chairman of the Executive Committee was appointed Chairman of a sub-committee of five to draft a bill to be introduced in the Legislature to remedy the evils complained of, and to report the same to the next meeting of the Executive Committee. The sub-

committee was as follows: W. B. Van Rensselaer, Chairman; Messrs. John Harsen Rhoades, Greenwich Savings Bank, New York City; Simon W. Rosendale, National Savings Bank, Albany; Edward S. Dawson, Onondaga County Savings Bank, Syracuse; and David Hoyt, Monroe County Savings Bank, Rochester.

This Committee had several conferences with Mr. Kilburn, Superintendent of Banks, and with their attorney, Mr. Wickersham, resulting in the preparation of a bill which was reported to the Executive Committee at a meeting held January 6, 1903. This bill, as amended by the Executive Committee at the request of Mr. Schieren, was introduced by Senator Marshall to the Senate, and it was referred to the Committee on Banks. There were two hearings on the measure before the Committee, at which so much opposition developed that it was thought wise to modify the restrictions contained in the bill so as to meet, if possible, the principal objections raised at the hearing. A new bill was prepared and was substituted by Senator Marshall. The opposition of the trust companies was so bitter that even the modified bill was not acceptable to them, and Senator Marshall was unable to get the Committee on Banks to report on the bill.

THE CURRENCY QUESTION

The Hon. Horace White addressed the Convention on the subject of the currency as follows:

Gentlemen: It is the usual custom of governments to perform no duty to-day which can be postponed till to-morrow. This helps us to explain the fact that although the end of the national bonded debt is not far distant, and although its termination will be the end of the present

bank-note system, no steps have been taken to meet that eventuality or to provide a currency to take its place. Instead of meeting the situation squarely, as it must be met soon, there has been an attempt to avoid it by artificially prolonging the existence of the debt. By the act of March 14, 1900, Congress provided for the conversion of certain bonds, maturing within a short time into others bearing a lower rate of interest and running thirty years. Then a comparison was made between the amount of interest payable on the old bonds and on the new ones for this short time, and a saving was made to appear by conveniently ignoring the interest for the remainder of the thirty years. This process of conversion is even now going on, and although the Government has $151,270,348 deposited in national banks drawing no interest, and $70,000,000 additional lying idle in the Treasury, it is issuing bonds to run thirty years at two per cent. interest. Dispatches are published from time to time felicitating the Treasury Department on its success in thus heaping up unnecessary obligations for the future. Such a transaction is acquiesced in because the people do not perceive the difference between a government and a private individual or corporation in the use they make of money. With a private firm or corporation, the question, whether it is best to pay its debts at maturity or to have them extended, is determined by the rate of interest. It is engaged in a gainful occupation, and if it can make more money by having the debt extended than it can save by paying it and stopping the interest, it will naturally elect to have it extended; otherwise not.

Now the Government is not engaged in any gainful occupation. Its only investment for surplus funds is in the purchase and extinction of its own debts. When it extends a debt, which it might pay with its surplus, and deposits that surplus in banks without interest, it makes a donation to the depository banks. That is what the Government is now doing on a large scale. It is at best a wasteful operation. The Government is not doing this on

account of any special tenderness to the banks, but in order to stave off the settlement of the currency question. Such a transaction would not have been possible at any time between the end of the Civil War and the election of 1896. As long as the Democrats were united and self-confident they kept a vigilant watch on the operations of the Treasury and met every false step with an unsparing criticism. The Republican leaders who prepared this needless and costly extension of the national debt would never have dared to propose such a measure if they had been confronted with a vigorous and sane opposition. They took advantage of the demoralization of their political opponents, not to make a donation to the depository banks, although that is what it amounts to, but to spare themselves the trouble of dealing with the whole bank question in a rational manner. They succeeded in postponing the task for only two years, however. At the last session of Congress this question was rumbling loudly in both houses. Both the Aldrich Bill and the Fowler Bill were ripe for general discussion if not for enactment, and they will be among the burning issues of the next Congress.

Why did not the debt extension of 1900 have the effect of postponing the currency crisis for a longer time? What does that crisis consist of? It consists of a deficiency of the paper media of exchange, which deficiency is becoming more pronounced and serious with the increase of population and business. These media of exchange may be classed in two grand divisions: government paper and bank paper. The former is a fixed quantity. Under existing law it cannot be greater or less at one time than at another. The latter is of two kinds: bank deposits and bank-notes. There is no limit to bank deposits except the amount of business to be transacted with checks, drafts, etc. This medium of exchange is elastic and self-regulating. The clearing house is its most striking exponent and visible manifestation. When business is active the clearing house exchanges increase in volume.

When it is dull they decrease. In other words, the bank credit that may be transferred by means of checks, drafts, and bills of exchange, rises and falls automatically. It is an ideal condition, and it is the only ideal thing in our whole system, unless the gold certificates may be considered. The amount of individual deposits in national banks alone, against which checks might have been drawn on the 15th day of September, 1902, was $3,209,273,893. The amount in State and private banks and trust companies was probably one half as much more, making a total of $4,813,960,834. At that date the amount of bank-notes in circulation was $352,383,259, of which about $34,000,000 was in course of retirement, leaving $317,991,809 as the net amount. Thus the total amount of bank paper used in effecting the exchanges of the country was $5,166,344,093, seven per cent. of which consisted of circulating notes and ninety-three per cent. of deposits.

In addition to the bank-notes in circulation there existed legal tender notes $369,671,876, and silver certificates, silver dollars, and subsidiary coins $624,521,402. These may be classed as fiduciary circulation issued by the Government, amounting in the aggregate to $992,193,278. The amount of gold coin and gold certificates in circulation at the same time was $929,110,114. The phrase "in circulation" means available for that purpose. It does not include the $150,000,000 in the Treasury reserved for the redemption of legal tender notes.

I said that our currency crisis consists of a shortage of one kind of our fiduciary circulation, that is, of bank-notes, a deficiency which must grow more serious with the increase of population and trade. The fiduciary circulation issued by the Government is not capable of enlargement, and no sane person desires its enlargement. To increase it would require a change in our laws, making the volume of the currency dependent upon the whims of any chance majority in Congress. A few years ago there was a political party which proposed that the Government should issue new legal tender notes against products of

various kinds stored in warehouses, the amount of notes to be limited only by the amount of products. I need not argue against that bedlamite scheme. I allude to it only as showing what shape any new scheme for increasing the Government's fiduciary circulation would probably take.

Can we expect relief from an increase of the national bank circulation as the law stands now? There has never been a year in our history when the growth of population and business has been more rapid than in 1902. There has never been one in which the demand for instruments of exchange has been keener. This is proved both by the increase of $235,000,000 in bank deposits and of $57,594,400 in gold certificates. The latter represents gold taken from the mine and put into the most convenient shape for use as a circulating medium. It is the most expensive medium known, except one; that one is our national bank circulation. The evidence that the latter is the more costly of the two is found in the fact that the bank-note circulation decreased about $2,000,000 during the fiscal year 1902, while gold certificates increased upward of $57,000,000. Practically the only method of getting any addition to the kind of currency that passes from hand to hand is by depositing gold in the Treasury and receiving certificates in denominations not smaller than $20. That this kind of currency has advantages is not to be denied. Up to a certain percentage of the whole gold is indispensable. Beyond that percentage it represents a needless expenditure of capital to accomplish a given result.

The act of March, 1900, contained other clauses intended to increase the national bank circulation. One of these authorizes the issuing of bank-notes to the par value of the bonds deposited. This was quite proper. The law ought to have been such from the beginning. Another clause reduced by one half the tax on bank-notes where they are secured by the new two per cent. bonds. There was no objection to that. The result of these two measures was an immediate enlargement of the volume of cir-

culation by about $30,000,000, followed by a fresh decline, however; and although the Secretary of the Treasury has tried various artificial stimulants to induce the banks to take out more currency, the bank-note circulation is practically moribund.

When a bank takes out circulating notes it engages, perforce, in a bond speculation. The bank is an active business enterprise. It expects to earn the average rate of profit in the community of which it is a member. As a purchaser of bonds it has to bid against retired capitalists, Savings Banks, trustees of decadent estates, and other investors to whom security is a higher consideration than profit. Not infrequently the Government itself comes into the market as a competing buyer. The price of the bonds is thus forced up beyond the chance of the average return on the capital employed. After the banker has bought his bonds and taken out his circulation there is no certainty that he will keep it. He must still watch the bond market. He must avoid a loss on the bonds, and he will make a profit on them if he can. He is a trustee for his shareholders and he must do what their interests require. If the chance to avoid a loss, or to make a profit, presents itself, he must seize it, regardless of the effect upon the circulating medium in general. Thus the issue of notes is not the chief concern of the bank. It is secondary to something else, and this is the reason why a bond-secured currency never can be an elastic currency. It is responsive not to the wants of trade but to the price of bonds.

The Aldrich Bill of the last Congress proposed to authorize the acceptance of State, municipal, and railroad bonds as security for deposits of the Government's money in national banks. This was perhaps a first step toward the acceptance of the same kind of bonds as security for circulating notes.

Such circulation would be as rigid and hidebound as the present. There would be an active speculation in the classes of bonds accepted, and the market price would be

carried up to figures approaching those of governments. Then the volume of currency would be controlled not by the wants of trade but by the bond market, as it is now. The Aldrich Bill deals with the bank-note question in still another way. It allows the Secretary of the Treasury to suspend and resume the redemption of national bank notes at Washington at his own pleasure. Under existing law a redemption fund equal to five per cent. of its outstanding circulation must be kept in the Treasury by each note-issuing bank. Anybody may send bank-notes in bulk to the Treasurer of the United States for redemption, and they must there be sorted, redeemed out of the five per cent. fund, and returned to the parent banks. The cost of sorting and transporting must be defrayed by the banks issuing the notes, and each one must keep its five per cent. fund replenished. The Aldrich Bill does not propose to stop redemption of the notes by the Government, but it provides that the Secretary of the Treasury, after redeeming them, may pay them out for Government dues instead of sending them home. One of the chief defects of our present system is the sluggishness of the redemption of national bank-notes. This section of the bill proposes to make it still more sluggish, but that is its least objectionable feature, since it would give the Secretary control of the reserve fund of every note-issuing bank in the Union, and enable him to "put the screws on" and take them off at his own will. Their redemption fund in Washington is a part of their cash reserve. Ordinarily one quarter of their circulation will be sent to Washington for redemption each year. If the Secretary can say to the banks: "Until I give the word you need not redeem any of your note issues except such as are presented at your counters," his powers, both financial and political, will be much greater than they are now, or ever ought to be.

This feature of the Aldrich Bill would be one step toward making the Treasury itself a bank of banks. Such a plan, if contemplated, should not be condemned unheard, but

the question raised by it could not be decided on financial, grounds alone. It would carry the flavor of socialism—at all events the socialist would consider it an endorsement of their claim that the State should control the means of production. For the present I think that the better opinion of the country favors the retirement of the Government from the banking business altogether, rather than the assumption of new responsibilities of that kind.

At best the Aldrich Bill is only a transitory measure, based upon a Treasury surplus which, in any sound system of national finance, is a temporary affair. Theoretically, the surplus ought not to exist at all, but since it is not possible to establish beforehand an exact balance between receipts and expenditures, any accidental surplus should be applied promptly to the extinction of the national debt. Heaping up a surplus designedly to be deposited in banks, with or without interest, with or without special security, is an anomaly for which no defence can be found, and none has ever been attempted, so far as I know. We have seen that the credit of the national banks takes the two distinct forms of deposits and circulating notes, the deposit liabilities being many times greater than the note liabilities. The deposit liabilities are allowed to rise and fall in volume without limit, except that each bank must keep a certain percentage of cash reserve. The note liabilities are restricted in two ways: No bank can issue notes exceeding the amount of its capital, or exceeding the par value of the Government bonds deposited in the Treasury as security therefor. These differences in legal requirements and restrictions indicate that the framers of the law supposed that there was an essential difference between a deposit liability and a note liability, calling for greater caution in the one case than in the other. They must have thought either that banks are more likely to extend their credit unwisely in the form of notes than in the form of deposits, or that the notes when once issued are likely to come in for redemption more suddenly than the checks of depositors come in for payment. Both

of these conceptions are erroneous and the fears based upon them are groundless.

The essence of good banking consists in maintaining a quantity of cash which shall be ample to meet all the demands that are presented by the bank's creditors, whether depositors or note-holders. The national banking law fixes the amount of cash reserve against deposits at twenty-five per cent. in large cities and fifteen per cent. in other places; allowing the banks in these smaller places to keep three fifths of their reserve in banks in the large cities. It is worth mention here that under the Suffolk Bank system before the Civil War the law of Massachusetts allowed the country banks to keep their entire reserve in the city banks and that no harm ever resulted from that law. The country banks had practical freedom of note issue. They found that very little specie was called for by their customers and that as much was brought in as was taken out each day. Redemption of the circulation of each New England bank took place in Boston.

Their notes offset each other at the Suffolk Bank just as the checks of our clearing-house banks offset each other now, and only the balances were paid in cash. The New England banks paid out their own notes to their customers except in cases where specie was expressly called for, but such cases hardly ever happened.

A bank-note is a potential demand upon the cash reserve of the issuing bank, and is of the same nature as a check drawn by a depositor. Both are pieces of paper circulating in the community on the strength of the bank's credit, and the question that concerns us now is whether the bank is likely to issue its credit more profusely and recklessly in the form of notes than in the form of deposits. Also whether the notes, when once issued, are more likely to come in for redemption suddenly and unexpectedly and thus to cause trouble to the bank and to the community.

To answer these questions we must observe how bank-notes and bank checks take their rise. Usually they

originate in the discount of commercial paper. Mr. A offers such paper to his banker payable in sixty or ninety days. The banker enters the amount of the bill, less the interest, in A's pass-book as a deposit. Then it is optional for A to draw checks against this sum to the order of B, C, and D, or to draw a check to his own order and present it to the paying teller and ask for money. As I have said in another place: *

"Suppose that the bank has the right to issue circulatingnotes, and that the customer, whose paper has been discounted, desires to use the proceeds in paying the wages of farm hands, or factory operatives, or in buying country produce, or in other ways and in places where checks are not acceptable. He will ask for bank-notes, in order to pay them to the wage-earners, farmers, etc. He might ask for gold, in which case the bank would be obliged to give it to him, but the notes are more convenient and will be generally preferred by the payees. The payees may demand gold from the bank-notes if they choose, but generally they will not do so. They will pay them to the storekeepers or to others to whom they are indebted, and the latter will deposit them in the issuing bank to their own credit, or in other banks which will send them to the issuing bank for redemption. Eventually they will be paid out of the bank's cash reserve. They will be paid out of the same fund from which the customer's checks would have been paid, if he had drawn the money by means of check payable to order, instead of taking notes payable to bearer.

"The banker cannot decide whether the credit he has extended to his customers shall be used in the form of checks or in the form of notes. His liabilities are the same in either case. The only thing that need concern him is the goodness of the paper which he bought when he issued his credit to his customer. The form of issue, whether in checks that may pass through one or two hands, or in circulating notes that may pass through many,

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*"Money and Banking," p. 222.

is of little consequence; and even if it were of much consequence, it is beyond control. It is also beyond the control of the depositor. He will call for notes only in cases where he cannot use checks. The controlling force here is the public demand, to which both the banker and his customers conform. The public demand determines also how long the notes shall stay out after they have been issued. Nobody keeps more notes on hand than he needs. When a man finds that he has a surplus, he returns it to the bank. Thus the overflow and inflow of bank-notes is automatic.

"While it is immaterial to the banker whether the credit which he issues shall take the form of checks or notes, it is important both to him and to the community that it shall take one form or the other, since the alternative is the withdrawal of gold for purposes of circulation and the consequent lessening of his cash reserve; and the lessening of his reserve by $1 usually lessens his ability to discount commercial paper by $4 or more. If it is for the interest of the community that the system of bank credits should exist at all, it should be available in the form of circulating notes, as well as of checks; for banking science consists in the substitution of less costly instruments of exchange for more costly ones, according to the demands of trade. The bank-note, since it is one of the less costly ones and is indispensable in the modern world, should be readily available as needed. Its utility is greatest in sparsely settled communities, where there are few or no banks."

Now is it not obvious, is it not in accord with all experience, that the notes circulating among wage-earners, farmers, market gardeners, and such people will stay out longer than checks which usually pass through only two hands—that of the payee and of the payee's banker? Under the Suffolk Bank system, where the most speedy and perfect method of bank-note redemption existed that this country has ever known, the average circulation period of New England bank-notes was five weeks. The

law of Massachusetts, by providing that no bank should pay out any notes but its own, forced every bank to clear its tills of the notes of other banks as fast as they came in, and send them to the Suffolk Bank for redemption. Yet, even under this pressure, every bank-note that was issued remained out as much as five weeks on the average, whereas checks usually stay out not more than two days.

But suppose that there is a panic and a financial crisis, which class of liabilities would be presented for payment in greatest quantity? Is it not true that in every crisis the demand for currency, whether it be bank-notes or greenbacks, or what not, is intense? Instead of collecting notes to send in to banks for redemption there is a rush of the bank's customers to draw them out, and the notes generally sell at a premium in brokers' offices. Of course this is on supposition that the notes are good, and that the issuing banks have the wherewithal to redeem them. What we are trying to find out now is whether note liabilities are more dangerous to banks than deposit liabilities, supposing the banks themselves to be sound and solvent. Is it not plain that the note liabilities are the less hazardous, the less explosive of the two?

Now we have seen that there is no limit in this country to the extension of bank credit in the form of deposit liabilities, except the keeping of a certain percentage of cash reserve. Call it inflation, or what you will, the amount of bank liabilities actually existing in this form, counting national and State banks together, is sixteen times as great as that of all the bank-note liabilities now existing. Yet I have heard the opinion advanced that if we should adopt a system of what is called assets currency in this country our credit abroad would be ipso facto destroyed. I have never heard any argument advanced to support that hypothesis, but merely the expression of a belief that such would be the result. I am obliged, for a variety of reasons, to differ from those who hold that opinion. One such reason is that in all the countries of Europe, with one exception, the system of assets currency

prevails; that is, the banks are allowed to issue circulating notes based upon miscellaneous assets in their own custody. The single exception to this rule is that part of Great Britain called England. Assets currency prevails in Scotland, Ireland, and Canada, but not in England proper. It prevails on the continent of Europe generally, but the tendency is to concentrate the issue of bank-notes in a single institution in each country.

The question arises whether the existence of separate banks with a capital as small as $25,000 each does not make unsecured note issues specially hazardous in this country. Under the terms of the Fowler Bill each such bank would have the right to issue such notes to the amount of twenty-five per cent. of its capital; that is, $6,250. Every such bank has the legal right to discount the notes of its customers to any extent it pleases, provided it keeps fifteen per cent. of cash on hand as a reserve. So the question is whether the bank is endangered by allowing customers to take the bank's notes for circulation to the aggregate amount of $6,250 instead of drawing that sum from its cash reserve, as they would otherwise do. Evidently the bank would be strengthened rather than weakened as long as the notes were out. The liability of the small bank to become insolvent on this score would be neither greater nor less than that of a large one. Moreover, the statistics of the Comptroller's office do not show a greater tendency to failure among small banks than among large ones. The large banks are generally conducted on liberal and broad-gauge principles. The small ones are usually in the charge of skinflints, and the skinflint policy, whatever else may be said of it, is the one most conducive to solvency. Insolvency is the severest punishment that can be inflicted on a bank. No bank with a bona fide capital desires to fail, and no bank can exist under our national system without a bona fide capital. A multiplicity of banks requires a corresponding increase in the force of bank examiners, but, on the other hand, a small bank is more easily examined, and the re-

sults are less liable to error than in the case of a large one. For these reasons I do not consider the existence of small banks a specially hazardous element in the problem of assets currency, although at first it seems such.

Another reason for my belief that a system of assets currency would not injure our credit abroad is that foreign bankers and financiers know that our whole monetary system, including the part for which the Government is responsible, rests at last upon the assets of the banks. Neither the national Government nor the State and municipal governments could exist if those assets were not good. What would bonds be worth in such case? The assets of the banks consist of valid liens on the circulating property of the country, or valid claims against the owners of the same. If the property exists, the assets of the bank are good. If it does not exist, Government bonds would be worthless, the greenbacks could not be redeemed, and the Government could not pay its running expenses three months.

Bank-notes secured by the assets of all the banks would therefore be safer than those secured by Government bonds. Very few banks, however, would consent to become liable for the debts of other banks over whose management they could have no control. On the other hand, very few banks fail—only seven per cent. of the whole number, ninety-three per cent. remain always sound and solvent. It is easy to compute the possible loss from bank failures and to provide an insurance or safety fund sufficient to cover it. It has been shown repeatedly that a very small tax on bank circulation—about one fifth of one per cent. per annum—would have sufficed to protect note-holders against loss under our national bank system without any bond security whatever. It is hardly worth while to go into these details again. They have been dished up many times during the past ten years, and I have found that almost every man who takes the trouble to study the subject for himself, by the light of our own experience and that of other countries, comes to the con-

clusion that the safety-fund system, as embodied in the amended Fowler Bill or in the earlier Indianapolis plan, would supply the country a perfectly sound currency without bond security—one from which no note-holder would ever lose the smallest fraction of a dollar. Such currency would be elastic and responsive to the varying seasons and the various demands of business. It would expand when the crops are to be moved and it would contract after they are moved, and both expansion and contraction would be automatic. This would be a great gain to the West, but it would be equally a gain to New York. When the West draws on New York in the early autumn for currency to move the crops every dollar of legal tender money that is sent out curtails the lending power of the banks by as much as four dollars. It brings business "up with a round turn," and sometimes to the very verge of panic. No such thing ever happens in Canada. The Canadian banks are on the safety-fund system. They can issue notes when there is a demand for them, and in proportion to the demand. They are not obliged to pay $1.08 for each $1 of currency. They are not obliged to curtail their loans to merchants and manufacturers in order to supply needed funds to farmers and grain buyers.

The people who stand in the way of this reform are those who never take the trouble to study the question at all. Because the bond-security system is our system, they think that no other is possible. A majority of the members of the Indianapolis Monetary Commission were, at the outset, opposed to any departure from the bond-security system. They shared the common prejudice born of the confusion of antebellum days, when each State had its separate system of note issue, and when there was not sufficient legal control upon any. Yet all the members of the Commission finally agreed that a bond-secured currency was opposed to sound banking principles because it eliminated the element of credit from the note-issuing function. They agreed also that the bond-security system

was doomed to an early death by the extinction of the national debt, and that something must be devised to take its place. They accordingly devised the Indianapolis plan, which embodies the principle of an insurance fund, or guarantee fund, to be contributed by all the participating banks and sufficient to redeem the notes of the very few banks that would become insolvent. This principle was adopted also in the Fowler Bill. The only novelty in the latter bill, distinguishing it from other measures for issuing assets, currency, is the one relating to the redemption of bank-notes. It provides that all notes shall be redeemed in gold at their own counters, and also at a redemption city, of which there are three named in the bill: New York, Chicago, and San Francisco. The present law requires redemption of notes at the counter of the issuing bank and also at Washington City, where each must keep a deposit equal to five per cent. of its circulation. Washington City is not a commercial centre, and there is no reason why it should be chosen for this purpose except that it is the locality where defaced and mutilated notes are replaced with new ones. This cannot be considered a good reason for sending to a non-commercial and rather out-of-the-way place all notes that stray away from home.

Frequent redemption of notes is called for by other reasons than the convenience of the note-holder. It compels the banker to hold an adequate cash reserve and to keep his assets generally in a liquid condition. It tends to prevent him from putting his funds into long loans or locking them up in speculative securities. It is a notable incentive to sound banking. The law ought, therefore, to favor a system which looks to frequent redemption, and provides facilities therefor. Banking science at the present day tends strongly in that direction. In Canada note-issuing banks are required to have a redemption agency in the chief city of each of the seven provinces of the Dominion, and at such other places as the Treasury Board may determine. In Germany each bank is re-

quired to redeem its notes at Berlin or Frankfort, as well as at its own counter.

Redemption of bank-notes under our system, however, is a question which affects the banks themselves rather than the public. Each bank receives the notes of every other bank at par in payments to itself, and also receives them at par as deposits. Converting the notes into par funds for their customers is equivalent to redeeming them in gold. Therefore, the question of cash redemption of national bank-notes is one which concerns only the banks themselves. It is a practical question which they ought to be allowed to settle among themselves.

On the 4th of December last a Committee of the New York Chamber of Commerce made a report endorsing the general plan of assets currency as supplementary to the existing circulation, but did not recommend any particular bill for carrying this plan into effect. The Chairman of the Committee making this report was the ex-President of this Association of Savings Banks, Mr. J. Harsen Rhoades, and among the signers of it were two ex-Secretaries of the Treasury of the highest rank. Whether a bond-secured circulation would go well with another variety of notes issued by the same banks, I shall not consider. It is sufficient for this occasion to allude to the fact that the principle of assets currency has received the endorsement of the high authorities named, and that their report was approved by the Chamber of Commerce after a debate, and by a nearly unanimous vote, therefore the friends and advocates of the system may feel amply encouraged to continue their efforts to bring about this great reform.

INFLUENCE OF THE SAVINGS BANK IN THE COMMUNITY

Mr. John R. Van Wormer, Secretary of the Lincoln Safe Deposit Company, spoke on the above subject in part, as follows:

The growth of Savings Banks in the United States since

1816 has been phenomenal. Their vast deposits to-day reflect in large part the general prosperity and the steady improvement of the temporal condition of the thrifty masses of our people. It taxes one's imagination even to comprehend the magnitude of the Savings Banks deposits of the State of New York, on the 1st of last January, when they are stated in figures so large as one thousand and seventy-seven millions of dollars. And one is compelled to pay the tribute of astonishment when he observes that the increase in deposits in 1902 was over twenty-nine millions of dollars; and the amount credited or paid out in interest over thirty-three millions. Equally one's admiration is challenged when he notes the fact that it has cost to carry on the immense business of the Savings Banks of the State only $2.86 per one thousand dollars of resources. Think of what it means that out of a population of some eight millions, over two millions, two hundred and seventy-five thousand accounts should stand upon the books of these institutions for savings, when, great as they are, they are but one of the various depositories of those who accumulate. We should never forget that the theory of the State which created the Savings Bank system was that its primary purpose was the establishment of absolutely safe depositories for the savings of the poor or of those of modest means, and that these depositories should be hedged about with every safeguard which could be devised. But the most perfect system ever framed in the statute of the lawmaker would result in disappointment were it not possible to find men of ability, probity, and business training to organize the institutions contemplated and to conduct the arduous and complicated affairs attendant thereupon. Yet there is a broader influence and a more significant duty which may be associated with the administration of the affairs directly within your province. Your personal contact with the masses of our people is intimate; you are called upon to study their condition, be it good, bad, or indifferent. Often the poor and uninformed seek your advice

and profit by it. Your opportunities for good are numerous in dealing with the young man who has just begun to save and who is about to undertake the grave responsibilities of citizenship. Intimacy with these conditions may sometimes dull the Savings Bank official's appreciation of the high estimate which the humble depositor places upon his wisdom and influence. Of necessity many of you must be familiar with tenement house conditions, and hence cannot fail to appreciate the importance of all that philanthropy has devised for the improvement of those who are the victims of unfavorable environment. In the process of investing the savings of the people you cultivate intimate familiarity with the building laws and with the way they are executed. You fully understand the quality and efficiency, or the opposite, of police administration, and the fidelity, or otherwise, with which the duties of the officials of the department of health are discharged. You know a great deal about the condition of the public schools, the status of the buildings devoted to such purposes, the results obtained, and the good or bad order which prevails among the children of the congested quarters. It is in your power to exert a powerful influence for good in support of the State and municipality in their efforts to equip the children of the poor, and even the waifs of the streets, with a practical education, so practical and thorough that the recipient shall be enabled to earn a respectable and adequate livelihood in the community in which he or she lives. No set of men in the cities of the State know better than you do what constitutes the elements of disorder and crime, or from what sources emanate the malign influences which taint and demoralize the unprotected youth of both sexes. It is not enough that the child shall have a modicum of education along conventional lines; something else must be embraced in the course of instruction; the purpose of the method of education should be practical; one of its objects should be that of manual training, which shall help the teaching of the rudiments of a use-

ful trade or calling toward the future independence of the recipient, and the attainment of a respectable position in society.

You are familiar with the vexatious recurrence of strikes, boycotts, and other labor troubles. What is to be done to avert or to mitigate their hateful consequences in the loss of wages to the workman, the temptation which besets the unemployed, the disturbance of business, the enhanced cost of building and living? All sane men grieve because of the tyranny, lack of intelligence, and absence of responsibility which characterize the walking delegate, or business agent of the trades union, and you are appalled at the flippant readiness with which a labor union repudiates a contract, thus displaying scornful disregard for, or lack of appreciation of, the essential principles which underlie society. You are abashed in the presence of a willingness, indeed of a positive effort, on the part of the "labor politician," the demagogue, and the social agitator, to create an antagonism of classes. Recognizing all this, it is still true that there is a middle ground of mutually beneficent and honorable understanding and adjustment for those who are honestly and vitally interested. By this I mean the employer and the employed. I am sure every sane man believes that an understanding cannot be reached without reasonable concessions from both sides. Do not get angry and beget anger in the other fellow, thus rendering the first approach to an understanding difficult. Radicals do not harmonize conflicting interests; temperate, level-headed persons, who can see both sides of a question, do. I think it is pretty generally conceded that a broader view of the respective and related interests of capital and labor must eventually prevail; that organized labor must accept a position entailing full responsibility for contracts entered into and agreements made by its representatives; and that this can only be accomplished through incorporation and submission to those processes of law which enforce contracts; that the agitator and anarchist shall be eliminated in all

the relations between the employer and employed; that the right to employment and the privilege to earn an honest living shall be conceded by all to a man or woman, whether union or non-union in affiliation; that some of the intolerable dogmas of the walking delegate shall be abrogated and properly stigmatized by organized labor itself, lest the result be anarchy and revolution; that the employer shall be required to recognize and manifest the highest sense of responsibility in the administration of his trust; that he shall entertain suggestion and not repel reasonable efforts toward the remedy of evils or the adjustment of disagreements; that he shall recognize the sacredness of the trusteeship which he holds. That all these imperfectly expressed things, and more, will be satisfactorily done, I profoundly believe, but the proceedings will be wonderfully expedited through the cultivation of mutual confidence.

The President: It is, after all, the quiet influence of the Savings Banks on the community which tells. Many of the young men who come before you can doubtless detail an experience similar to that which your President, as a young man, had. He had an opportunity to save a little money; he called at a Brooklyn Savings Bank and invested it there. He gathered a little fund, and afterward went to the bank to draw it out to enter in business in a small way. The bank official asked: "Why do you want to draw out your money?" He told him that he was about to enter into business. The bank officer said: "You may draw within five dollars, but leave the five dollars, and some day you will want to add more to it." Your President was quite struck with the idea, the money was left, in a comparatively short time that deposit was renewed. It was the nucleus or the foundation of his career. Now it is that silent influence which you gentlemen can exert upon young men who come before you and who are within your reach. I know that influence is stronger than many people imagine, and I trust that the Savings Banks Association and the gentlemen connected

with it will do their utmost to encourage thrift among the young men.

HEARING ON MORTGAGE TAX BILL

A hearing was had before the Joint Senate and Assembly Committee on the mortgage tax bill held at the State Capitol, March, 31, 1903. Fifty-five members of the Savings Banks Association of the State were represented. Mr. Robert C. Morris addressed the Committee as follows:

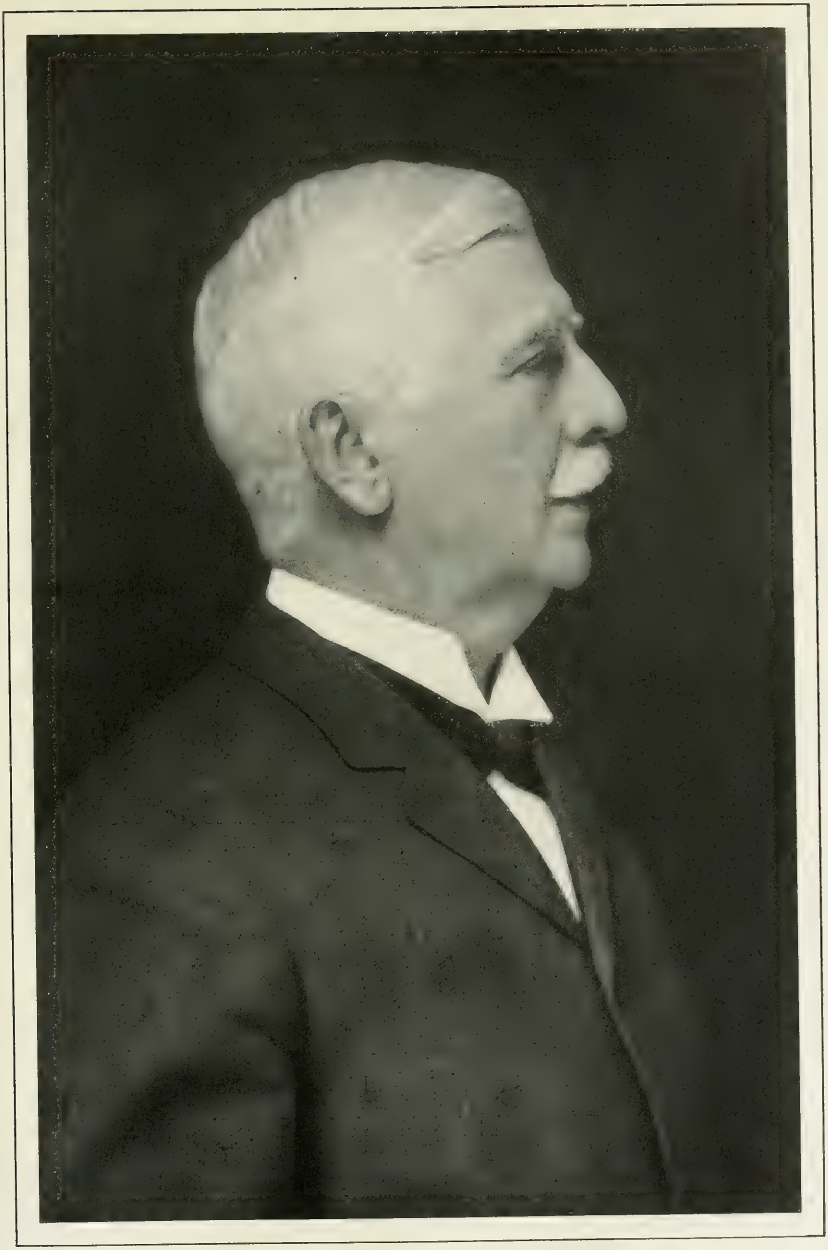
Public sentiment in Greater New York condemns mortgage taxation. The opposition has been often and earnestly expressed by the press and by commercial, labor, and real estate organizations.

It should not be supposed for a moment that the questions involved are not familiar ones. Possibly no question of State, as distinguished from national taxation, has been more constantly or fully discussed for a long period. The sentiment against mortgage taxation must be considered intelligently and firmly held.

It is based on experience of the present system in the State and on knowledge of various forms of mortgage taxation essayed in other States, as well as upon the experience elsewhere of the plan of exempting mortgages from taxation. The Chamber of Commerce of the City of New York, as long ago as 1870, urged the injustice of taxation of mortgages, and during the whole period since has continuously and consistently held to this view.

The opposition of real estate interests has been so frequently voiced that it is not necessary to quote anything in evidence. The Board of Real Estate Brokers, the Real Estate Exchange of Brooklyn, and the Real Estate Owners' Association have within a few days given strong proof of this attitude.

The views of our commercial, labor, and city real estate owning classes are shared by the better-informed people in the rural districts, but many of our fellow-citizens in



SAMUEL D. STYLES

TREASURER, 1902-09

those sections have not yet learned that a mortgage tax falls inevitably upon the borrower, nor can they rid themselves of the idea that men of means ought to be taxed upon the paper evidences of their wealth, although the property covered by the paper has already been taxed.

And this leads to the statement that the levy of indirect taxes must always be guarded in an extreme way if injustice is to be avoided. A legislative body seldom stops to make broad studies of economic taxation. Money is wanted, and is secured along the lines of least resistance. Under the traditional tax system of the State a higher levy would be made, that would extend to every dollar of property, real and personal, throughout the State that could be found and assessed by the taxing authorities. Under the indirect system some special object is sought out and made to bear a special levy. One day it is Savings Banks, another day insurance companies, on another day trust companies are affected, and on still another liquor dealers.

ADDRESS BY MR. HENRY L. STIMPSON

Mr. Chairman and Gentlemen of the Committee: There are so many waiting here to take part in this that I will confine myself only to one or two objections. There is no question but it must be admitted that when this subject of the taxation of mortgages first began to be discussed in the newspapers, and before the material points of the present bill became known, there was a certain predisposition in its favor. The present system under which our mortgages in New York are now taxed, when they are taxed at all, and in which the burden falls wholly on the widow and the orphans and the honest man who won't swear off his taxes, is so harsh and oppressive that any tax which would apparently levy a smaller equal tax in place of the present unequal one would meet, and it was thought then that this would meet with a certain amount of predisposition in its favor. But as the terms of this particular bill have become known and discussed, there

has been such a storm of protest aroused in New York City by those with whom the members of the County Committee come in contact that I think the County Committee represents the unanimous sentiment of its constituents in taking this stand.

The present bill hits at two classes of the community, both of whom form the backbone of the conservative element which is represented by the Republican party there. First, the investor in small real estate mortgages, and, second, the investor in bonds secured by corporate mortgages.

The objections to the bill on behalf of both these classes must be pretty carefully studied, but there are so many present who are experts in the matter of real estate mortgage taxation regarded from the individual standpoint, and who have to speak, that I shall say only one word on it.

The bill seems to have been drawn with this point mainly in view, namely, the standpoint of the taxing of an individual mortgage, made by an individual, based upon a single piece of real estate. On that basis, the principal objection to the bill seems to be that it is harsh and drastic, and will be, unquestionably, the subject of a great deal of annoyance to the persons who pay the tax. Instead of paying one large tax as under the present system, the holder of a mortgage under the new bill will be constantly subject to pay small taxes. He pays a tax when his mortgage is recorded; he pays another one when it is foreclosed; another one when it is assigned; another one when it is reduced; and the machinery for his payment of these small taxes is so complicated that the amounts which he would be saved in the percentage levied by the tax would probably be much more than eaten up in lawyer's fee to attend the different steps that he would have to take to protect him under the bill.

I only call your attention to one particular point, which seems to me in that respect particularly harsh. Under this bill, as I read it, every recording officer, the county clerk in most counties, must every year, in making out his

list of taxable mortgages, insert in it up to the maximum amount every mortgage on file in his office. It may be that he knows perfectly well that a certain mortgage has been partly paid off; the same question may have come up the year before and the year before that; nevertheless, under this law, he has got to put it in at the maximum amount, and put it up to the owner of the mortgage to take all the trouble afterward to get it reduced to the proper amount.

That is just a single instance of a certain kind of the annoyances and harshness of the present measure; but that part of it will be so fully discussed by others that I would turn at once to what seems to me to be the most serious side of the objections to the bill. That is where it touches upon serial bonds secured by general trust mortgage, the kind that is commonly known as corporate mortgages, because they are usually issued by a corporation, and in relation to such bonds the system which this bill adopts would probably entirely break down.

In the first place, it is a very simple thing, comparatively, to follow the theory of the bill when you apply it to the individual mortgage. If a man holds a mortgage for five thousand dollars, securing a bond for five thousand dollars, on a single piece of real estate, I think you have the whole thing before you; and the theory of this tax seems to be to levy the tax on the bond and to compute the amount of the tax by the amount of the mortgage.

Now that is all right so long as the bond and the mortgage represent the same amount, so long as they are in the same hands, and so long as the security is a fixed piece of real estate; but think of the situation when you come to a railroad mortgage, for instance, where the bond is split up into ten thousand bonds, held by ten thousand different people, where the number of bonds and the amount of the debt is constantly changing as bonds are being issued or retired, and where the amount of the security is not a single piece of real estate but is a great

railroad system, partly inside the State of New York and taxable, and partly outside of the State of New York not taxable, partly consisting of real estate and taxable, and partly consisting of personal property and not taxable. Add to that the situation where, as very often happens, and usually happens in most of those cases, the security isn't even constant or fixed; the security is being constantly increased with new purchases of equipment, locomotives. Now, under this bill as it is drawn, each one of those changes makes a change in the rate of the tax. It is not a tax of four mills on every railroad bond; it is a tax of four mills to the dollar on some bonds, and then a constantly varying rate down to an infinitesimal fraction of a mill, depending on whether the security is inside the State of New York or whether the security is partly personal or partly real property. No one can tell, in other words, what the tax is on his bond; and until that is ascertained and fixed the mortgage cannot be recorded under this bill. Think of the intolerable situation. A railroad wishes to build its railroad with an issue of its bonds; it wishes to record a mortgage and to sell the bonds for that purpose and to purchase gradually, by certain instalments of the bonds, the railroad that it builds. How can it take a single step? It can't even record its mortgages until the ratio between its personal property and its real property, which is not yet in existence, is fixed by the State Tax Board.

Then there is another objection. Under this law the tax is levied on the bond, not on the mortgage, and if any holder fails to pay for his tax the bond can be sequestered and sold, and trouble at once caused, for you can't always get hold of your bond to sell it. So this law has a beautiful provision that the State Assessors can sell the bond without taking possession of it. In other words, if somebody fails to pay a tax on his New York Central four, the State assessors can sell that bond; and thereafter we have the curious situation that there are two bonds on the market, both representing that original bond, one of

them valid, and the other invalid, and nobody can tell which is which.

In other words, carried out to its conclusion, this bill would utterly destroy the negotiability of negotiable bonds. No one who bought a bond on the market could tell whether he was buying the bond that was valid or the one that was invalid.

What do you think would be the result of a law which, in one blow, will make the bonds of all such corporations unsalable outside of the State? Of course it would entirely paralyze it.

It seems to me that on all these grounds a tax law of this sort will produce the most calamitous results, particularly in the City of New York.

ADDRESS BY CHARLES A. SCHIEREN OF BROOKLYN

Gentlemen: The Savings Banks of the State are very much alarmed over this mortgage tax, as you see by the large delegation present here to-day, coming from all parts of the State. They consider it a dangerous measure which may seriously affect the banks. It may compel them to reduce the interest to three per cent. instead of the rate we are now paying to our depositors. Our Savings Banks are largely dependent upon the revenue from mortgages in order to pay the per cent. which we are now paying. Other securities permitted by law hardly realize three per cent., whereas mortgages bring from four to five per cent. This enables the bank to pay the present rate in most cases of three and one half per cent.

Our Savings Banks are now holding about five hundred million dollars' worth of mortgages. The proposed tax of four mills will amount to two million dollars annually in tax. That amount, added to the tax already on the surplus of the Savings Banks, which amounts to seven hundred and fifty thousand dollars, will be an enormous increase to the burden upon the banks. The execution of the proposed mortgage tax law is most cumbersome and will create considerable confusion. It will necessitate

much extra work and additional expense to our banks. Many banks hold mortgages not yet due, and will have to pay the tax. The calling of so many mortgages due, by the banks and other institutions, would seriously affect the money market. There is no doubt it would create great distress among the borrowers.

Gentlemen, we are opposed to this bill because it is wrong in principle. It means double taxation. Its provisions are confusing and the execution will add considerable expense to our mortgage holders. It means additional hardship to our laboring class. It is a heavy burden to the thrifty, frugal, struggling mechanic or farmer who is ambitious to own his own homestead—the very people whose burdens we should strive to lighten instead of increase. With your permission I will call upon Mr. Hun, of the Albany Savings Bank.

Marcus T. Hun: Mr. Chairman and Gentlemen of the Committee: I assume that the convenience or inconvenience of this measure has been discussed in the Legislature, and that that line of argument is hardly any longer open for the consideration of a Committee which is obligated by the decision of the party caucus; but I cannot but feel, as a member of the party which is responsible for this measure, that it cannot afford to pass a second tax bill of the importance of this one and have this bill also declared unconstitutional by the courts of the State. I think the people of this State, in presenting the power of legislation to any political body, expect that that legislation will be intelligently conducted, and that the measures which have been adopted by the party will be capable of enforcement. I shall, therefore, so far as my remarks are concerned, address myself entirely to the constitutional features connected with this legislation. I think it is of very great importance, in order that we should understand each other, that we should have some comprehension of the views which have prevailed in the preparation of this measure. As I understand it, it is not the purpose, at least in terms, of this bill to tax the

bonds to which the mortgages are collateral. Whatever influence may be brought to bear to induce the payment by the bondholders of the tax which is imposed upon the debt, there is no intention to run athwart of the provisions of the Constitution, or the limited jurisdiction of this State, by attempting, in terms at least, to impose a tax upon bonds which may be held by non-residents, over whom this State has neither jurisdiction of their person nor of their property. This measure, as I assume, has been drawn with an attempt to evade the provisions of the decision of the Court of Appeals in the matter of Palmer in 150 New York, and the decision in the United States Supreme Court in 15 Wallace, the foreign-holding bonds case, which decided that the Legislature of a State had no authority to impose a tax upon a non-resident because of his holding bonds which were secured by mortgage upon property within the State; and to bring the case within the decision in 116 United States, of the Savings Society against the Multnomah County, which is the decision in that court, holding that under the conditions presented by the legislation which was brought before that court in the case there was authority on the part of the Legislature to impose a tax upon what was therein designated as a debt and a mortgage lien; and this bill, as nearly as I can judge from its phraseology, is intended to come within the scope and purpose and within the protection of that decision. Am I right about that, Mr. Allds?

Senator Allds: Well, you argued this bill three years ago with the gentleman who drew that provision—Mr. Clark, present—and he told you at that time, I think, that it was intended to come within the Multnomah case; and if Mr. Clark was correct at that time, then the bill is correct now; and if you were correct in your opinion, I suppose that the bill isn't any more constitutional to-day than it was three years ago.

Mr. Hun: Well, I don't know about that, sir.

Senator Allds: Well, it hasn't been changed. I want to say, Mr. Hun, that it hasn't been changed any from

the phraseology of the bill three years ago—what was known as the Stranaham Mortgage Tax Bill—so far as that is concerned.

Mr. Hun: Now the distinction between that case and the present case is that in that case there was an attempt made to tax the interest of the mortgagee in the real estate which was covered by the mortgage. In other words, as defined, although not perhaps exactly expressed in that way in the act itself, but as its purpose was defined by the Supreme Court of the United States, it was held to be a tax imposed upon the interest of the mortgagee in the real estate, and that interest being subject to a tax imposed by the bill then under consideration, the only tax which was imposed upon the owner of the real estate was a tax upon the residuum of the real estate which was left after the value of the mortgage had been deducted from the value of the real estate. In other words, if the real estate was mortgaged to the extent of sixty per cent. of its value, there was a tax of sixty per cent. of the value of that real estate imposed upon the holder of the mortgage, and there was a tax imposed upon the owner of the real estate of only forty per cent. of the value of that real estate.

So that was practically a decision by the Legislature of that State that they proposed to tax the real estate or property in two ways—they proposed to tax the interest of the owner of the real estate, and they proposed to tax the interest which the mortgagee held in that real estate, which they chose, by act of Legislature, which the Supreme Court of the United States said they had a right to do, to make property, although it was a mere lien under the laws of that State.

Now that is entirely different from the condition which presents itself here, because here we propose to allow the owner of the real estate to pay the tax on all the real estate there is. There is no exemption from liability to tax on the part of the real estate because of the fact that we imposed, in some form, upon this mysterious thing called a "lien,"

a certain burden of taxation; and, therefore, the attempt here is not as it was decided in the United States Court in this Saving Society case, that the State had a right to tax the real estate as it was; but the attempt here is to tax an intangible thing which is not property, in addition to taxing the property itself to the full value. Now, in order that I may not appear to give my own construction to this decision of the Supreme Court, I beg the attention of the Committee while I read a portion of it from the report of the case.

"Taking all the provisions of the statute into consideration, its clear intent and effect are as follows: The personal obligation of the mortgagor to the mortgagee is not taxed at all. The mortgage and the debt secured thereby are taxed as real estate to the mortgagee, not beyond their real cash value, but only so far as they represent an interest in the real estate mortgage. The debt is not taxed separately, but only together with the mortgage, and is considered as indebtedness within the State for no other purpose than to enable the mortgagor to deduct the amount thereof from the assessment upon him in the same manner as other indebtedness within the State is deducted, and the mortgagee as well as the mortgagor is entitled to have deducted from his own assessment the amount of his indebtedness within the State. The result is that nothing is taxed but the real estate mortgaged. The interest of the mortgagee herein being taxed to him and the rest to the mortgagor, there is no double tax nor is there any such discrimination between the mortgagors and mortgagees as between resident and non-resident mortgagees as to deny to the latter the equal protection of the laws. No question between the mortgagee and the mortgagor arising out of the contract between them in regard to the payment of taxes or otherwise is presented or can be decided upon this record."

Now you had prepared a law here, or the Legislature has under consideration a law by which you propose to determine this question between the mortgagor and the mortgagee which was not determined in this case, upon the lines of which the present bill was drawn, and you say to the debtor owing a bond to the non-resident of this State: "If the non-resident of this State doesn't come here and pay this tax I forbid you to pay him either the principal or the

interest of that bond." So that is legislation; unlike the legislation in the Savings Association case, you undertake to say, as between the mortgagor and the mortgagee, that unless the bondholder under a mortgage, being a non-resident of the State, over whom you have no jurisdiction, either as to person or property, comes into this State and pays this tax upon the debt or obligation, that he shall receive neither the principal nor the interest on this debt; and, further than that, that if, for a certain period of time, he fails to make this payment, that this claim that he has against the mortgagor, by whatever term you may designate it, shall be sold and that the party who purchases that claim shall be substituted in his place and subrogated to his rights.

Now that may be law, but what I mean to say is that the decision of the Supreme Court of the United States, in terms, distinguishes that case from the case which is presented by the present bill.

I should prefer to take the decision of the Court of Appeals of our own State, which decided in the matter of Bronson 150 New York; and if they decide the same way in this case, this case will never see the Supreme Court of the United States—that it doesn't lie within the power of the Legislature of this State to tax a bondholder who is not a resident of this State upon the debt or obligation.

Now, you may say that by careful verbiage and exclusion of words you have in this case evaded, by expression at least, the thought that you impose a tax upon the non-resident of this State who holds this bond; but I don't believe that the Court of Appeals will be deceived or will be misled by a statement of that kind in the bill, when you say to the man who lives in New Jersey: "If you don't pay this tax on amount of this bond"—I don't care what you call it, debt, or obligation, or other word—"if you don't pay the amount that you owe upon this thing which you hold, representing a claim against a resident of the State of New York, secured by mortgage upon its prop-

erty, we will say to the debtor that he shall not pay you principal or interest, and after a certain expiration of time we will forfeit your claim and sell it out for the amount of what we call the "tax" and deprive you forever of any claim whatever against your debtor." I don't believe when you present that to the Court of Appeals that the Court of Appeals will say otherwise than that that is an attempt to tax the bond which this man in New Jersey is possessed of, and if they do hold so, they hold no differently from what they held in considering the Transfer Act in the matter of Bronson, in which they held that a bond held by a non-resident, being out of the State, was not taxable.

Now I grant you if the bond is within the State, although the owner may be without, that under the decision of the Court of Appeals it is taxable; but I am speaking of the case in which a man in New Jersey holds the bond in his own possession in New Jersey. I don't deny your right in a certain sense to tax the mortgage lien; I don't deny your right to say, as they said in the Savings Institutions case: "You may consider this as part of the real estate and we will tax it"; so that, so far as this feature of the case is concerned, it would seem that as to all bonds held by non-residents, and all are usually so held, and all will be so held if you offer a premium of four mills to every man out of the State as against every man in the State who is a holder of these bonds, you haven't any power to tax them; that you can take—having taxed the real estate to its full value—this imaginary, intangible thing called a lien and destroy that when you can't destroy the debt itself, I deny. And I deny that you have any authority that you can produce of any court of competent jurisdiction to determine this question in this case which has ever held to that effect.

Now in this connection it was said at the last hearing that the railroad mortgages in this State had been so drawn that while it might be true that it wouldn't be practicable to enforce this lien as against the bondholder,

or the debtholder, or whatever you may choose to designate them in the bill, the railroads themselves would be obliged to pay it. Now I have taken pains since the last hearing to make inquiry in regard to the principal roads in this State. The West Shore mortgage of forty millions of dollars contains no provision in regard to the taxes other than the provision which I quote: "The said Railroad Company, its successors and assigns, shall and will pay all taxes and assessments lawfully levied or assessed upon the premises hereto conveyed." Of course it would not be claimed that that related to anything except the tax that was assessed directly upon the property of the railroad company; it would not relate to a tax upon the debt which it owed.

The New York Central & Hudson River mortgage for one hundred millions provides that it will pay the interest and the principal without deduction from either principal or interest for any tax or taxes imposed by the United States or any State or county or municipality there of which the railroad company may be required to pay or to retain therefrom under that by reason of any present or future law. Now you have provided in this bill not that the railroad company should retain any tax; you have provided that when the bond or the debt is declared delinquent, that the debt shall be sold and that thereafter the railroad company shall not pay either principal or interest to the man who was the holder of the bond at the time of the sale or at the time the delinquency occurred. But you haven't brought this in this bill within the scope of the requirements of the mortgage of the New York Central & Hudson River Railroad Company, which provides that they shall be liable to pay the tax only in case they shall be required by law of the State to retain the tax upon it. But the difficulty, it seems to me, with this New York Central clause, even if you should decide that it was applicable to a tax which was lawfully levied; inasmuch as the tax is unlawfully levied against the bonds of non-residents it isn't a tax and there-

fore the railroad is not under obligation to retain the money, because there is no tax whatever if it is without jurisdiction.

Now the difficulty is this: Here is a quantity of coupons that are presented to the fiscal officer of the New York Central Railroad, and the State says: "You mustn't pay those, because the tax hasn't been paid in that case." Now the railroad has no way of determining whether those bonds which are represented by those coupons are held within the State of New York or not. It can't trace them back; and thereafter you say to the railroad: "Don't you pay either principal or interest on that debt; we are going to sell it."

If the bonds that are held outside the State of New York are exempt from the four mills tax, these bonds will naturally come out from the Savings Banks and go to similar institutions in some other State and the Savings Banks will buy the bonds of other States which are not subject to this tax; and you will soon find in the course of a very short time that the Savings Banks are all supplied by non-taxable bonds and that the bonds of our own State have gone off into other States where you can't control them. There are one or two other features about this bill which I would like to call to the attention of the Committee. Now I think it was suggested by his honor at the last hearing, Mr. Allds, that there was no provision for the assessment in this case—well, I perhaps have stated it too broadly, because it seems to me that no tax can be imposed within the terms of our constitution unless the party who is to be taxed has an opportunity to be heard, and if he has an opportunity to be heard, of course that constitutes the assessment, and this bill has very properly provided that this hearing shall be had before the State Tax Commission. Now in order that this matter should get before the State Tax Commissioners, this man, having the constitutional right to be heard upon the question as to whether he is taxed properly or improperly, whether the amount is right, is obligated to

pay his tax in the first instance to the State of New York. Now if he has this inherent right under the provisions of the Constitution to be heard before he is taxed, the State of New York clearly has no right to tax him before he is heard—which they do: they require him to pay this money in to the recording officer—to pay it back afterward.

Mr. Allds: Isn't the first hearing that he has after the notice which is published by the county clerk of the assessment, under and by virtue of the bill; that is his first hearing, and he has full notice of that, and if he had any dissatisfaction with that list as made up and advertised he may first have a hearing there for its deduction by the showing that there has been a partial payment or that the amount for which it stands has not really been advanced, or anything of that sort. Isn't that his hearing; and after it has then been once determined at that time by the recording officer he has his appeal, and there is no provision for the payment until after he has had his day in court first, with the recording officer, sir; and it is following exactly the provision which obtains in every case with reference to the United States, which is that after the officer who has the right to impose the tax has had a determination that thereafter the tax shall be paid, and then you litigate the question, and if you succeed you get your money paid back, and if you don't succeed the money stays in the Treasury. Now there is no provision by which this is paid over, either to the State Treasurer or to the local treasurer, but it is held by that recording officer subject to the final decision. Now I am frank to say that in the drafting of that bill we did not have any intention of encouraging litigation such as the Franchise Tax litigation, where, when the question was presented to the court, there was six, eight, or ten millions of dollars involved. Our theory was that we would follow that which the United States Government has adopted from its earliest inception down to the present time. That is after the first determination that there should be a pay-

ment in of the money involved, in accordance with the determination, and that then, after the money had been paid in, just as it is in the case of the United States, it might be litigated. It would probably have a reasonable tendency to discourage too much litigation, and yet there wouldn't be any hardships in the case of honest difference of opinion and an honest desire to test the law, or to test any question with reference to any one set of property.

Mr. Hun: As I understand this law—of course I haven't the familiarity that you have with it—I understand that this protest or objection is presented to the recording officer.

Mr. Allds: That is the place where he makes his protest.

Mr. Hun: The recording officer makes a return of that to the State Board of Assessors.

Senator Allds: He acts upon it. And if he is dissatisfied with the determination of the recording officer, then there is the return to the State Tax Commissioner.

Mr. Hun: I think it isn't in there clearly that you have a right to impose the payment of a tax upon a man who wants to appeal, and that is another question. But what I have found in this bill, I think, is the fact that there are many questions that have to be determined by the State Board of Assessors which cannot be determined by the recording officer. So far as those questions are concerned the man must pay his tax before he gets a decision. If I don't know the rule, I apologize for my error. There is the further objection that no foreclosure shall take place until a proceeding for a determination under this act of this tax. It seems to be rather a hardship on a man that he can't get his mortgage foreclosed. That, perhaps, is a matter of convenience.

Senator Allds: That is, that for the purpose of compelling the payment of the tax, one is denied the right to enforce his lien in the courts unless he has paid his fair share of the Government expense.

Mr. Hun: That would be quite right, but you foreclose the unfortunate man who has paid his tax as well as the others. His remedy is only in a foreclosure of the mortgage, and you say: "This mortgage shall not be foreclosed," and of course it can't be foreclosed as to one without the other, "it shall not be foreclosed until this tax is paid."

Senator Allds: May I make a suggestion to you? There isn't the slightest difference of opinion as to the perfectness of the phraseology which constitutes the bill, and I am sure that every member of this Committee would be very happy indeed to receive at your hands a suggestion as to what you would regard as appropriate language to cover the situation.

Mr. Hun: Mr. Allds, I meant to have stated in the opening that I have read over this bill with a good deal of care two or three times, and the first time it struck me as crude and exceedingly difficult of execution, and each time I read it over I have been more impressed with the ingenuity that has been shown to bring it within the constitutional limitations, and the difficulty, perhaps, of presenting those constitutional objections, and I have rather come to the conclusion, however, that unless the concurrent power were given to mold the provisions of the Constitution, that an omniscient deity could not make a bill purporting to cover the matter covered by this bill and successfully meet with the constitutional questions.

Mr. Allds: I think you recognize the exact situation that we are in. We find it very difficult to follow the instructions which are given to us and to deal with the question of contracts now in existence, and we are very frank to express our limitations.

Mr. Hun: If I may, without making a criticism, make a suggestion which is that these provisions limiting the jurisdiction of the courts making certain decisions final —which are so detrimental to my profession, possibly good for the people of the State—are exceedingly dan-

gerous provisions to put in. The Constitution has provided certain courts which shall decide the disputes between the people of the State of New York, and I doubt whether a body of assessors can be said to be a competent body to determine that question.

The decision of the Appellate Division in this Department in the State Franchise Tax, which was made subsequent to the introduction of this bill—of course the bill wasn't prepared with any reference to the objections that were there presented in that decision—has decided that the bill as it is now drawn is unconstitutional, I think, clearly. The home rule feature of the Constitution provides that all city, town, and village officers whose election or appointment is not provided for by this constitution shall be elected by the electors of such cities, towns, or villages or some division thereof, or appointed by such authority thereof as the Legislature shall designate for that purpose. Now you have appointed a Board of State Assessors who are to pass upon certain questions in relation to this tax, and although we unfortunately differ on that subject, I still think that the State Board is the assessing board in this case; they usurp the functions which have previously been exercised by the local assessors.

Senator Allds: The mortgage itself is theoretically assessed at its full value. The assessment is placed there by the State Board of Assessors; the new mortgage is assessed at its full value, isn't it, by this bill? Do they perform any function with reference to the assessment? Isn't it after the face of the mortgage has been assessed, at a rate prescribed by the statute, they are then called upon to exercise certain ministerial duties with reference to determining the proportion between counties and things of that sort, and the only time that they perform anything which could be, by any means, said to be an assessment, is the proposition of this bill seeking only to reach real estate, that where they determine what proportion of a mortgage is represented by personal property and what by real

estate in the case of a mortgage which covers both real and personal. Now isn't that the only time in this bill that they reach the proposition of an assessment? Isn't the Legislature doing the assessing by the act and at the full value of the mortgage?

Mr. Hun: Well, I deny that proposition. I thought you agreed with me in that, that the Legislature hasn't power to say that a piece of property which I own, if you will, in the city of Albany, shall be assessed at a certain rate. It has not the power, for example, to say that a piece of property shall be assessed at the rate which the present owner has paid for it in obtaining title.

Senator Allds: The present Legislature says that it shall be assessed at its full value, and you have taken that which is the statement of the man in interest at its full value.

Mr. Hun: Still, he is entitled to be heard, I think, and he isn't heard on that.

Now, in this case, you have not created a new piece of property which you propose to assess, but you have taken something that has always been assessed, and if I am right in my contention, that your State Assessors are to make an assessment under this bill, then the bill is clearly unconstitutional within the decision of the Franchise Tax.

If the Legislature itself had the right, they could probably delegate it to somebody else, but the Constitution provides that certain things shall be done by certain officers and that those certain officers shall be local officers. The only question is whether the assessing officer is the State Board of Tax Commissioners or whether he is the county clerk. I am not so sure that if you make the county clerk the man but you have escaped the consequences, and that is your view of the situation.

If there is any reasonable question in regard to the constitutionality of this tax, if this matter is to go before the court as the Franchise Tax was and prove a failure, is it a wise thing for the Legislature to pass it; is it good pol-

itics; is it good morals, is it good for the interests of the State? I don't believe it is.

ADDRESS OF CHARLES STONE, OF THE ONONDAGA SAVINGS BANK, SYRACUSE

I have heard it said sometimes that, whatever was to be said against this bill, it must be fairly admitted that it presented a better system than that now prevailing, that it is an improvement, or offers an improvement, upon the system of taxation of personal property in this State, but the proper improvement in the direction of taxing personal property in the State of New York at this time would be an act exempting all mortgages from taxation.

You will thus do away with the old argument, which has been so often presented and which I think is so forcible, of double taxation of that species of property.

Practically, mortgages, it may be said, have been taxed irregularly and at irregular amounts, as other personal property has been taxed. I think, as a matter of fact, that mortgages have been very little taxed or assessed in the State, that form of taxation having proven detrimental and having become so objectionable in the communities where assessments are levied by the local authorities that it has very largely disappeared. One effect, therefore, of this legislation, it appears to me, which is wrong, is that it wrongly discriminates between like kinds of property in making assessments. If other personal property is to be assessed at all, it should be assessed at two per cent., and if mortgages are properly assessed at all, they should be assessed at two per cent. If mortgages are properly assessable at all, and are assessable as personal property, they should be assessed at the same rate that other personal property is assessed at.

If the revenues derived from the assessments of other kinds of personal property belong to the local treasuries, then the revenues to be derived from the assessment of mortgages belong to the local treasuries and should not be diverted or any part of it to the State Treasury.

So that I think I will state as my first objection to this bill of a general character that it improperly and unjustly discriminates between the kinds of personal property and the mode of taxation thereof.

Another objection that occurs to me in a general way against this bill is that it appears to me to unjustly discriminate—an act of the Legislature unjustly discriminating against the people of the State of New York, the citizens of the State. The New Jersey man, or the man of any other State, who is in need of money and has to secure it upon real estate security, may obtain it without the payment of this tax.

That under the provisions of this bill a man can go across the river from New York City and borrow money in New Jersey and not pay any tax on it, but if the man in New Jersey wishes to come over into New York City and borrow money on real estate there and leave his money here and help out the State of New York, he has got to do it with the added burden of this tax, providing the provisions of this bill can be enforced.

I am here as a trustee and an officer of the Savings Banks of this State, and I want to call your attention, gentlemen, in all seriousness, to the proposition that the time has come, in the State of New York, when the best intelligence and the loftiest patriotism of the members of the Legislature of the State must be directed toward the preservation and upbuilding of those institutions, or you are bound to see, under the conditions and prospect of affairs for the future, an important deterioration in the high quality which they now stand for; and any deterioration in the security and the advisability of the Savings Bank system of this State means a greater disaster, in my opinion, to the welfare of the State, permanently considered, than would a like disaster to any other class of monied or industrial institutions which can be named.

It has been the policy, sir, of this State from the commencement, to in every way foster and encourage these institutions, because thereby has been encouraged the

thrift of the mechanic and of the workingman who is able to lay up a few dollars every year for surplus. So far as I am aware, until within very recent years, no Legislature has seen fit to impose a tax upon the thrift represented by these Savings Banks in any form other than a tax upon such real estate as they should own, until the tax upon surplus, the law which was passed a few years ago.

If this idea that it is a wise and sound and conservative policy to raise the revenues for the expenses of the government of the State of New York by in some way getting the money from the taxpayer without his knowledge, or, as it is more euphoneously expressed, by indirect taxation, is correct, that does not justify striking at this mass of wages invested in mortgages, and discriminating against that in favor of other property which is allowed to go free.

With the limited range of investments which Savings Banks can now make or which they have been able to make within the last decade or more within this State, it has been a close struggle with Savings Banks to be able to maintain anything like a safe margin of security between their liabilities and their resources, and such a margin and a larger margin than can be found in any Savings Bank in this State ought to be encouraged; it ought to be built up. The depositor should be encouraged and guaranteed, so far as the legislation of the State may guarantee, of the absolute security of the funds which he shall place in a Savings Bank investment. A Savings Bank deposit should be as carefully guarded as a Government bond.

Now, with this limited line of investment and with the market value of money as it has gone along in recent years, the margin which the Savings Banks have been able to accumulate over and above what they have had to pay out has been decreasing all the time. It is a singular thing that, since 1893, in the last decade, in this State which has been growing in every direction so much, and where property and wealth have accumulated so much,

it is a singular thing that there are only two more Savings Banks now in existence in the State of New York than there were in 1893. It is a striking circumstance, gentlemen, that a new Savings Bank could not start now and do business.

Since I came here, I was handed some figures by a Savings Bank in the western part of the State, which I think pretty fairly typify the general course of this business, and the effect which the proposed legislation will have upon Savings Banks; and I beg your permission to call your attention to them. They are not long.

In the first place, I would like to call your attention generally to this fact: there is one billion and seventy-seven millions, in round numbers, of money on deposit in the Savings Banks of the State of New York in the aggregate, of which, in round numbers, four hundred and sixty millions is in real estate mortgages, not including railroad mortgages. The surplus of all the banks in the State January 1, 1902, was one hundred and seventeen millions, seven hundred and fifty-four dollars; the aggregate surplus of all these Savings Banks in the State, January 1, 1903, was one hundred and thirteen millions, two hundred and twenty-six thousand dollars; a diminution of surplus for the year 1902 of three millions, four hundred and sixty-eight thousand dollars.

Now if this bill were to be enacted and become a law, based upon these figures the four mills tax on the mortgage held by the Savings Banks, diminished by the surplus tax which they are now paying—I am assuming that the Legislature would hardly leave that burden upon the Savings Banks while adding this one; so I have allowed for that as though that law were repealed—that four mills tax, deducting that surplus tax, would amount to one million, eight hundred and forty thousand dollars, giving a prospect of a decrease of the surplus in the next year of five millions, three hundred and odd thousand dollars.

Now you take this particular Savings Bank—this is a

different set of figures—I'd like to show you a little concerning the operations of one of the most prosperous Savings Banks which I think we have outside of the City of New York of which I know less. The average income from all investments of this particular Savings Bank in the last year was three and nine tenths per cent., ninety-one one hundredths. The interest paid on deposit, three and one half per cent. deducted, leaves a margin for expenses, based on assets of thirty-two-hundredths of one per cent., which will also furnish whatever surplus that Savings Bank may be able to lay aside for the further security of its depositors.

Let me call your attention to another thing, with respect to the operation of the conditions during the last ten years upon Savings Banks in this State. There has been a diminution in the percentage of surplus held by the Savings Banks against liabilities during the last ten years of three and six tenths per cent. upon the average, taking all the Savings Banks together. That is to say, in 1893, whereas the average surplus held by the Savings Banks of the State was fourteen and one tenth per cent., it fell to ten and five tenths per cent. in the year ending January 1, 1903. I have caused to be taken samples of half a dozen different banks scattered about different parts of the State, Savings Banks of different sizes and conditions, so as to show you how they are generally running.

The first one I find had a surplus in 1893 of eighteen and seven tenths per cent.; now of only eleven and three tenths; another one of fourteen and eight tenths, now of nine and four tenths; another one of fourteen and five tenths, now of nine and four tenths; another one ten years ago of thirteen and one half per cent., surplus now seven and seven tenths per cent.; another one ten years ago of eleven and two tenths, now of eight and seven tenths; another one ten years ago of nine and seven tenths, now seven and five tenths; another one ten years ago of eleven and one tenth, now seven and three tenths.

I cite these figures, gentlemen, principally to call your

attention to the fact that Savings Banks have not to-day, under existing conditions, a sufficient working margin to secure their safety and permanence for the future with any such certainty as has prevailed in the past; and to ask you whether this is a proper time for the Legislature to add any new burdens to these institutions. If this tax of four mills is imposed, no matter what your theory may be, whether ultimately the load falls upon the borrower or not, if this tax is imposed, somebody will have to pay it, and either the depositor will take a smaller dividend—it is now only three and one half per cent.—either the depositor will take a smaller dividend on his deposit, or the borrower will pay a higher rate upon his loan. There is no escape from one of these conclusions. If the depositor bears the burden, then upon some two hundred to two hundred and fifty thousand people in this State, who, upon the average, have surplus earnings of only four hundred and seventy dollars each, you have made an assured certain requirement of the payment of the tax. If the borrowers take it, while the number will be smaller, yet they are very numerous, and the rate of interest which they have been paying upon their mortgages will have to be increased correspondingly. There is no other fund out of which the money can be paid.

And without taking your time any further, I desire to appeal once more earnestly for the reëstablishment of the traditional policy of this State which has put the Savings Banks of this State upon a higher plane than they stand in any other State in the country; diminish nothing of the safeguards to the money of depositors; simply give opportunity within a limited market range in which these institutions can operate so that investments of the depositors' money can be made in sound securities with a margin of safety and so as to yield them a reasonable return for their investment.

The Savings Banks are doing a legitimate business within the law; their trustees are serving without compensation and exercising their best judgment, but some of

their investments are depreciating and they must have a margin, otherwise known as surplus, to guarantee the depositor safely the return of his money; and this act will place the burden upon the bank which will be freed of at least one half of all the money they earn for surplus expenses and operating expenses of the building together in the course of the year.

Member of the Assembly Committee: You suggest that the proper thing would be to exempt all mortgages from taxation, and would you exempt all personal property from taxation?

Mr. Stone: You have asked me a fair question. Of course it is a little dangerous sometimes for a man to make a bold statement, when he hasn't the time to give his reasons for it throughout, but I am inclined to answer your question in this way: Out of all the taxes—I mean taxes that are levied directly upon property and collected in the general way, not having reference to special franchise tax or collateral inheritance, or any of those—out of all the taxes that are actually collected in the State of New York not three per cent. are collected of personal property to-day. Now if you do away with the other ninety-seven, and collect the whole hundred by a direct, honest tax, fairly imposed, upon the real estate in this State, I believe in a short time everything would be so adjusted that the people would be better satisfied.

ADDRESS OF MR. RHOADES

John Harsen Rhoades said: I appear here representing somewhat varied interests. As President of the Greenwich Savings Bank, as director of the United States Trust Company, and the Lawyers Title Insurance Company, and as trustee of several large estates, I directly and indirectly represent about seventy-five millions of dollars invested in real estate mortgage loans. Therefore I approach the subject in question at least with years of experience in this particular class of investment.

I do not propose to take the time of this Committee

in going over the details of this bill. They have been gone over repeatedly before you by men better able to analyze the bill than myself. I do not propose to discuss the question as to whether the bill is constitutional in all of its parts; but I propose to ask and to answer the following question to the best of my ability: "What will be the first effect of the passage of this bill upon those holding real estate mortgages and those seeking to obtain loans upon mortgage secured by real estate?"

The volume of real estate loans is very large. I believe the statistics show that the average value per acre of land in the State of New York is $25, and that the average amount borrowed per acre upon the land within the State is $12 per acre; therefore the influence of the passage of any bill affecting real estate loans would be felt from one end of the State to the other by the corporation, the Savings Bank, the trust company, the title company, the trustee, the individual, the manufacturing establishment, and the farmer; and each and every interest loaning money upon this class of property, and conscious that such a bill as the one in question has been created into law, will at once ask himself what he is going to do about it, and what demands will he make upon the borrower to protect himself? So far as my own bank is concerned, our first act would be to send a notice to every mortgagor having a loan with us to the effect that this bill had become a law, and that arrangements must be made at once to pay the tax accruing on the first day of July, and that the rate of interest from July onward would be increased one half of one per cent. per annum; and if arrangements cannot be made satisfactorily between the bank and the borrower, payment of the mortgage must be made.

There is an unwritten law as old as the ages which says that the lender of money is entitled to and will exact such terms in the way of interest upon moneys loaned as are satisfactory to him, and, if such terms cannot be obtained, he is entitled to and reserves the right not to loan his money. Therefore if the State is to call upon him to

pay a tax on the mortgages held by him, and these loans have been made on the basis of a rate of interest satisfactory to him at the present time, you may be sure that these loans will not be continued unless the borrower of the money makes a satisfactory adjustment with the lender of the amount for the amount of tax to be paid. Now what the officers of the bank I represent will do, so will the officers of all the large corporations, including the trust companies and others, and so to a very large extent will the trustee and the individual lender of moneys do. Therefore it may be taken for granted that the borrowers of moneys secured by real estate throughout this entire State will be notified of these changed conditions and of the necessity for making new terms with the lenders of money. The effect of such a notice, from its very nature, must be to create excitement and a great deal of distress throughout the State. Now what would the Savings Banks located in the interior of the State, having loans upon farming property, do where their loans were running at the present time at six per cent. and where it would be illegal to force an additional rate equal to cover the amount of the proposed tax? Owing to the reduction in the value of farm property in recent years, the margin between the loan and the equity has in very many cases become very close. The rate for money is always governed by the risk that is run, and if an individual or a corporation is loaning on property from eighty to ninety per cent. of its real market value, he expects to get a higher rate than he would exact were the margin fifty to sixty per cent. Therefore, in the case of all such loans as these, what other course is it possible for the officers of a bank to pursue than to bring pressure to bear upon the borrower to force a reduction in the amount loaned upon the property; and in this way demands would be made to the extent of millions of dollars for payment on account of loans, and as it is always difficult to secure large loans upon farm property, the result would be that such demands could not be met, and numerous foreclosures would ensue.

Can such a condition as this exist without creating a very serious disturbance to the interests of the great mass of our people who are either obliged to borrow or who find uses for moneys borrowed on their real estate; and will such a condition do otherwise than paralyze the entire building interests of this State?

Nine tenths of the development in the way of buildings of all kinds and descriptions is done by men who engage in this pursuit as any man engages in business of any kind, and, like every merchant, they are required to use their credit and to obtain loans upon their property in order to carry on the development. What is the condition of these men if they cannot obtain their loans, or if the market for such loans is seriously disturbed or narrowed? Does it mean anything else for these men but ruin, and am I extravagant in my assertion when I say that such condition would ensue at once as to make a financial revulsion in real estate which would ruin thousands and paralyze real estate operations for years to come? Therefore I repeat what I have practically already said, that as it is with the Savings Banks I represent, just so it is with the corporation investing in mortgage loans; just so with the individual. Is the trustee of an estate going to have this annoyance every year of attending to this tax, with all the penalties which ensue in case it is not paid, and all the trouble which will arise in case of neglect or through forgetfulness? Is he going to take the trouble to do this? Why, sir, I am trustee of estates now which would gladly put five millions of dollars into mortgages to-day if they were exempt from liability to personal taxation; but I beg to assure you, with all calmness and moderation, that if this law went into force, not one dollar would be invested in a mortgage under conditions that would exist in the event of the passage of this bill.

Now let us look at it from another standpoint, and that is the position of the individual lenders of small mortgages scattered all over the State. There are thousands of cases where small trusts exist, created by men who in their

lifetime made a little money, and where these moneys are in the hands of some old friend to whom has been entrusted the savings of a man's lifetime with instructions to take care of his widow and children; and so he has taken the trusteeship of the little property. He has invested some of it in bond and mortgage; he has bought a few railroad bonds, and the dragnet of the tax collector has not yet scooped him in and squeezed out from the income of those helpless people one half of all they are entitled to. All the mortgages of this State have to be listed. The name of every individual and of every trustee is put down upon such lists. Now what is the duty of the tax collector? Can he do otherwise than take advantage of just such a list as this? And if he finds out there is a man here or there who has got one or more of these mortgages, is it not his duty to put him down on the list of personal taxation? Now what does the individual or the trustee do under such circumstances? What would you or I do under such circumstances? Are we going to assume the risk of being taxed either upon our own property or upon the property that we are guarding in trust for our friend? Well, there is but one remedy. The mortgage must be called in, and the mortgage will be called in. And so, sir, all over the State, the result of the passage of this bill would be to create universal distress among the very class of borrowers who are the least able to stand the strain. Why, to-day, in the City of New York, men are walking the soles off their shoes trying to get mortgages which it is impossible to obtain. They apply to the life insurance companies: "We are not loaning." They apply to the Savings Banks: "We are not loaning." They apply to the individual: "We are not loaning." And why? Simply because this bill is pending here in the Legislature of the State of New York. I tell you, sir, that the Legislature in this regard has a serious matter upon its hands—a matter which touches the very heart of the prosperity of the citizens themselves. I tell you again, Mr. Chairman, that in my honest judgment no

bill of late years has been introduced in this Legislature so fraught with peril to the community at large as this Mortgage Tax Bill which is now before you for your consideration.

ADDRESS OF HON. W. BARLOW DUNLAP

Mr. W. Barlow Dunlap, of the Savings Bank of Amsterdam, said in part:

There are hundreds of people up in our town—it is a manufacturing town who never saved a dollar until the Amsterdam Savings Bank was started. There are hundreds of them to-day who own their own home or who own at least half of their home, and the Savings Bank owns the other half, who began when the bank was started fifteen years ago by putting in five dollars or three dollars a week and got seven or eight hundred dollars, borrowed a little money of the Savings Bank, borrowed a little money perhaps of somebody else, and built them a house. They put their money in until the end of the year, when their payment comes around, and they have one or two hundred dollars; they get a little credit for their interest in the meantime. You are hitting those people both ways, and they feel it, and if the bill becomes a law they will resent it. There is nothing that hits a man so quickly as to hit him in his pocketbook, and you take the struggling laboring man with a little piece of property of his own that he is trying to pay for and let a tax of half a per cent. or four tenths of a per cent. be added and he will remember it, he will remember it particularly because he has got to pay just before election time.

The people don't want this bill; they are opposed to it; and they don't believe the Legislators ought to force it on them. Speaking strictly for the Savings Banks, we don't want the bill for the reason that I have stated. It will take one half of our annual surplus to pay this amount if we take it out, and you gentlemen all know that you can't run a Savings Bank without increasing your surplus

inasmuch as your depositors are constantly increasing. Savings Banks are not there for the purpose of making money, as one of the gentlemen said, but to furnish a safe place for the earnings of the poor. The question was brought up, how many deposits have you of three thousand dollars? In our bank we have sixteen.

We have eight thousand, five hundred and sixteen depositors, and we have sixteen who have three thousand. We have had opportunities; we have had letters that New York people have written us who wanted to make deposits of three thousand dollars there and get three and one half per cent. interest. Occasionally somebody will work that scheme to avoid taxation. We find that is so in some sections where they do follow the mortgage tax very closely. Now they don't impose it fairly at all. In some sections they go to the County Clerk's office and tax a man. With a tax of two per cent. on the mortgage, he might better give it to the bank at three and a half per cent. Other sections do not tax at all, don't pretend to. For that reason I say occasionally we get an inquiry from some section of the State where they want to loan us some money. The other day we got an application from Syracuse. I don't know whether they tax it out there or not. We decline those things, because our bank was started simply, solely, and wholly for the benefit of the working people of the town, and we have continued it on that basis.

Why, the entire expense of running that bank with two and a half million dollars, including our banking building and all, is less than fifty-four hundred dollars a year, and yet, with all that, with the economy of management and all, we were only able to add, and only did add, in the last six months four thousand dollars to our surplus. Now with one million dollars' worth of bonds, it would take our four thousand dollars. We should simply have what we had gained the other six months, which would probably be four or five thousand dollars more. That is outside the question of the surplus tax that we have

got to pay besides. I assume, as everybody has, that that would be repealed; I don't imagine for a moment you would try to give us both of them at once.

As I said before, I don't want to take your time, but, gentlemen, as I gather it from the newspapers and from the people that I have talked with in the different counties around that section, I have yet to find a man seriously for it. They think it is a mistake; they think it is wrong in principle, and they think that the Legislature is making a great mistake in putting the bill through; that we might better, if necessary, pay a direct State tax, a small amount as we did last year. Why, it don't amount to anything. Now, let me give you a little illustration. Mr. Rhoades spoke of little trust estates. I happen to be a trustee of a little estate there; a man died with just three thousand dollars; he has got a widow seventy years old. Every dollar that she has is three thousand dollars. I took the money and I succeeded in loaning it at six per cent. She receives one hundred and eighty dollars a year. In order to avoid the tax I had the mortgage taken in the name of a man in Fulton County and I had him assign the mortgage to me as trustee and I hold it. Now if that poor woman had to pay two per cent. on her mortgage she would get one hundred and twenty dollars to live on. All she has under heaven is a hundred and eighty dollars. I can escape the tax now; with this bill I couldn't. Now what would she do?

Senator Green: Now I want to get at this point in all sincerity; this bill proposes to levy a tax of four mills. Now as long as we have got this situation of local taxation where mortgages are caught, as I find they are, about the State all over, isn't it really better for the ones who do get caught to-day to pay four mills and be exempt from all other kinds of taxation than to pay the present local taxation, or be in danger of paying any time the assessors put it on the roll?

Mr. Dunlap: Undoubtedly, but that doesn't correct the great, glaring wrong that exists to-day; you are only

making it worse. It is better, of course, for those people under this bill than those who have to pay two per cent. Of course four mills is better than two per cent.

Senator Green: There are so many people who use that situation and are dodging taxation.

Mr. Dunlap: That is the point exactly. Now there isn't anybody up there except some poor, simple-minded person who don't know any better who gets caught with their taxes, not a one. Now the way they do—I am a lawyer—the way they do, they make a mortgage to somebody who is absolutely irresponsible, take their chances, honest fellows, perhaps, they give him a mortgage, he assigns it to the party; they go up there and they find it on the record that there is a mortgage assessed to John Smith. They put him on the tax roll and they send him notice, and John goes down there and he goes up and swears: "I haven't any property; I haven't a cent"; he swears to it, and it is true; he hasn't, he has assigned it to the other fellow. Now what are you going to do about it? That fellow escapes. It is only those who don't go and consult some really good, sharp lawyer and find out how to do it who get caught.

Mr. Albert H. Harris, of Rochester, representing the Rochester Savings Bank, said:

The banks in Rochester, the Savings Banks, have 90,000 depositors and over 7,000 mortgages. The difference between the income of those banks on their investments and the amount which they pay to their depositors is just about one half of one per cent. Out of that has to come the expense of running the banks. If you make this assessment, if this law becomes effective, you can readily see that, as these gentlemen who have preceded me have said, one of two things must follow: either the rate of interest on mortgages must be increased, or the rate of interest paid to depositors must be decreased.

CHAPTER XI

Eleventh Annual Convention—Amendment of the Constitution Concerning the Composition of the Executive Committee—The Taxation of Savings Banks, by Wm. H. S. Wood, of the Bowery Savings Bank, New York—Letter from John Harsen Rhodes—Vote of Thanks Tendered Him for His Untiring Efforts as a Member of the Association—Addresses by Hon. Stewart L. Woodford, Charles A. Conant, Wm. H. S. Wood—Letter from Charles A. Miller, of Utica, Suggesting Further Perfecting of the Organization.

IN OPENING the Eleventh Annual Convention of the Savings Banks Association which was held on May 12, 1904, President Charles A. Schieren spoke as follows:

I esteem it an honor and pleasure to bid you welcome to this, the eleventh anniversary of our Association, and beg to present to you a brief review of the history of the past eventful year and draw your attention to some important matters which transpired.

This year's business of the Savings Banks of the State has been somewhat peculiar; while the report shows a growth over last year, still it falls short of the year 1902. According to the annual report of Superintendent Kilburn the total amount deposited was larger by $9,270,094,000 than ever before in any one year. But the withdrawals were larger than the previous year, caused largely by the state of the financial market during the greater part of 1903, as well as the industrial and labor conditions generally.

Superintendent Kilburn's report for the year 1903 shows as follows:

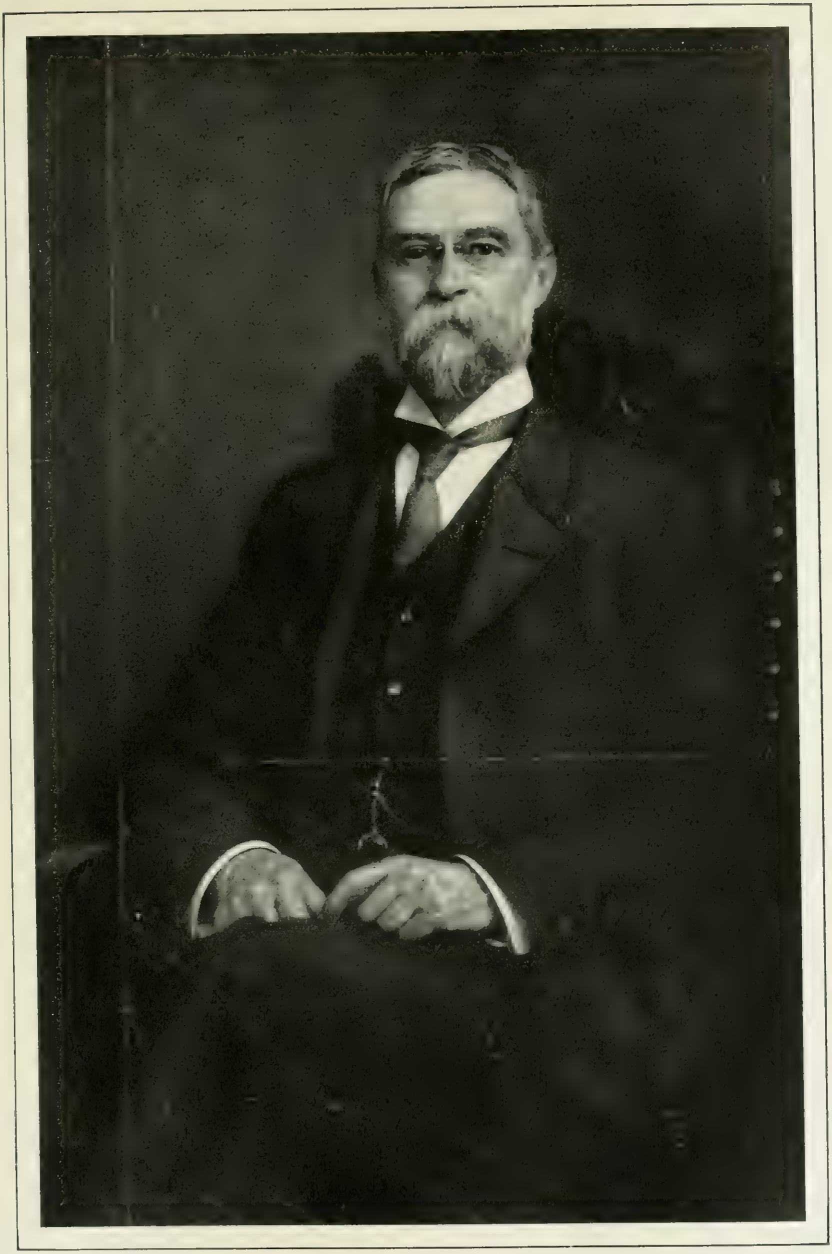
		Increase over 1902
Total resources	$1,238,800,468	$47,469,895
Amount due depositors	1,131,281,943	53,898,200
Surplus (market value) . . .	107,049,076	6,327,699
Surplus (par value)	77,595,753	4,865,872
Number of open accounts . . .	2,365,922	90,539
Deposited during year . . . . (not including interest) . . .	305,934,718	9,270,094
		Excess over 1902
Withdrawals during year . . .	288,864,705	22,314,593

On the whole the report is highly gratifying, especially the large increase of depositors by over 90,000 for the year 1903. It is the best evidence that the Savings Banks enjoy the confidence of the thrifty people of the State. There seems to be a disposition on the part of some trust companies, state banks, department stores, and other institutions to open savings departments in connection with their regular business, offering in several instances higher rates of interest as an inducement for the people to deposit their savings with them. The new departure was largely encouraged by the introduction of the patented small steel savings banks or boxes to be distributed through families for children to save their pennies and bring the boxes when filled to the bank. The experiment has not proved successful, and several institutions have abandoned the box system. The Savings Banks did not seem to favor the idea and considered it rather a novelty soon to wear off, being fostered principally by the patentee and manufacturer of these steel boxes; therefore the Savings Banks declined to adopt them. Some financial institutions still endeavor to make their savings department a paying investment, but up to date none of them has received much encouragement from the public at large. The people seem to understand and appreciate the great value of our Savings Banks and have absolute confidence in their security and are not so easily led away, but are slow to deposit their savings with other than the

regular Savings Banks, which are under the control and supervision of our Superintendent of the State Banking Department.

It is now universally recognized that the only sound and safe policy for Savings Banks is that which has been established in our State, namely, keeping Savings Banks apart from general banking institutions and having them strictly comply with the law prescribing the use of the money deposited. It is only a question of time when financial institutions will ascertain that their savings department is not a paying investment but rather a detriment to their general banking. The Superintendent also draws special attention to our exceedingly important recommendation in reference to the extension of railway bonds for proper investments for Savings Banks and cautions us to proceed slowly. This is a most opportune and timely warning, therefore I quote the following paragraph of Mr. Kilburn's report. He says:

"It cannot be urged too strongly that the quality of investments legalized to the Savings Banks be maintained at the highest practicable standard. Seven years ago these institutions counted among their bonds $111,000,000 of United States consols. To-day they hold of this particular class of securities less than $19,000,000, and in the same period they have increased their ownership of railway bonds from nothing to $177,000,000. So far as the change has gone, I am disposed to regard it as a wise one. The railway bonds that the law authorizes are in the main the best that could have been chosen from this class of securities, and are in all probability safe. But scrupulous care should be had not to extend the list unduly, nor to permit to be added to it any bonds of an inferior character. The underlying security for a Savings Bank bond ought to be not only ample and absolute, but the character of the corporation that floats it should be of the highest. The mere fact that a corporation wants a market for its securities should have no weight whatever in the matter."



WILLIAM BAYARD VAN RENSSELAER

PRESIDENT, 1904-07

REPORT OF THE EXECUTIVE COMMITTEE

Mr. W. B. Van Rensselaer, President of the Albany Savings Bank, read the report of the Executive Committee:

The Banking Law of this State provides that: "Not more than twenty-five per centum of the deposits of any bank shall be loaned or invested in railroad bonds." The questions were whether or not the deposits of a bank included the surplus, and in regard to the valuation to be put on railroad bonds owned by Savings Banks, i. e., should these bonds be valued at their cost price, at their market price, or at par? In order that the banks might act uniformly in their annual reports to be filed with the State Comptroller by August 1st, the matter was referred to our counsel for his opinion, and the Secretary was instructed to send such opinion to all the members of the Association. Mr. Wickersham, our counsel, subsequently advised that a Savings Bank might invest twenty-five per centum of the deposits and surplus in railroad bonds at their cost value. Mr. Kilburn, the Superintendent of Banks, later ruled that a Savings Bank should only invest twenty-five per centum of its deposits in railroad bonds at their cost price. The counsels of some of our banks think the market value of the bonds should be taken. As this matter is of importance to many of the Savings Banks, it would seem wise for our counsel to arrange with the Attorney-General for a test case for the courts to decide.[1]

The Court of Appeals has recently decided the test case in regard to the way Savings Banks should make up their surplus in their report to the Comptroller for the purpose of taxation. The court decides that all securities whose market value is above par should be placed at par, and that all securities whose market value is less than par should be placed at their market value; that banking buildings and other real estate owned by the banks should

[1] See New Banking Law, chap. 2 Consol. Laws, amended by chap. 369 Laws of 1914 (subd. 7 i), article 6, section 239.

be assessed at their present market value, not at their cost value; that the accrued interest not due should be included in the assets, and that the interest due depositors not yet paid should be included in the liabilities.

At a meeting of the Executive Committee, held January 29, 1904, the proposed issue of $163,000,000 bonds for the Chicago, Rock Island & Pacific Railway Company was discussed, and it was shown that under the terms of the present law these bonds would probably be legal investments for Savings Banks. It was resolved that an attempt be made to get the Legislature to modify the general Savings Bank Act so as to exclude this unusual issue of bonds of the Chicago, Rock Island & Pacific Railway Company. A bill was prepared to amend paragraph "C," Subdivision "6," Section "116," of the Laws of 1892, entitled "An Act Relating to Banking Corporations," limiting the investments for Savings Banks of the Chicago, Rock Island & Pacific Railway Company to its first mortgage, six per cent. bonds, due July, 1917, and this request was granted, and a hearing was given to the officials of the Chicago, Rock Island & Pacific Railroad Company on the 11th day of March, 1904. After listening to the argument on the subject it was resolved that it would be unwise to allow these bonds to be made Savings Bank investments, and at our request a joint hearing of the Committee on Banks in the Senate and Assembly was held on the 16th day of March, and a short time afterward the Senate Committee on Banks reported our bill favorably and it passed the Senate with only three negative votes. The matter, however, was delayed in the Assembly until the last few days of the session, when the Committee on Rules take charge and make up the calendar of all bills that are to be acted upon the Assembly.

The Executive Committee understands the facts in regard to the Chicago, Rock Island & Pacific Railway Company to be as follows: The company has a capital stock of $75,000,000, on which dividends are being paid at the rate of four per cent. per annum. Its bonded in-

debtedness consists of this new issue of $163,000,000, due April, 1934. This issue will eventually retire the outstanding issues, except $60,581,000 fours, due July 1, 1988, and about $11,000,000 Burlington, Cedar Rapids & Northern Railway Consolidated fives, due April, 1934. (As the Burlington, Cedar Rapids & Northern Railway Company, has been merged into the Chicago, Rock Island & Pacific Railway Company, these bonds become the obligation of the latter road.) So that when all the new issue of $163,000,000 is sold, the bonded indebtedness of the Chicago, Rock Island & Pacific Railway Company will be $234,581,000, or more than three times the amount of its capital stock, and these bonds then will be illegal for Savings Bank investment.

The opinion of our counsel was asked if this condition of affairs would make the Chicago, Rock Island & Pacific Railway Bonds illegal, and Mr. Wickersham looked up the matter and wrote an opinion to the effect that the statute means that at the time of the investment in any of the bonds of this company the capital stock shall then equal or exceed one third of the par value of all the bonded indebtedness of the company outstanding at the moment of such investment. This opinion was handed to Mr. Kilburn, to see whether the Bank Department would consider it in the same way, and in reply Mr. Kilburn writes:

"I have gone over this opinion very carefully, and while it seems very presumptuous in me to differ with Mr. Wickersham in any legal opinion which he might write, and while in this particular case it would make no difference, I must, nevertheless, dissent from the proposition that the outstanding bonded indebtedness of a railroad company at the time a bank purchases bonds should only be taken into consideration, if indeed this is what Mr. Wickersham means. My opinion is that all the bonds, which may be issued under a mortgage, should be taken into consideration in comparison with the bonded indebtedness and the amount of capital stock outstanding."

In view of these conflicting opinions, it may be wise

to have a test case prepared to submit to the courts for a final settlement of this matter. Under all the circumstances your Executive Committee would recommend that the Association pass a resolution, that in its judgment it would be unwise for any Savings Bank in this State to purchase bonds of this proposed issue of the Chicago, Rock Island & Pacific Railway Company. In this connection the Executive Committee is under great obligations to Senator McEwan, who took charge of the matter in the Senate, and to Assemblyman Agnew, who took charge in the Assembly, and to Assemblyman J. T. Smith, Chairman of the Committee on Banks, for their untiring efforts in assisting your Committee, not only in this measure but in all legislation pertaining to Savings Banks interest. This Committee is also indebted to Bank Superintendent Kilburn, who has coöperated with us all in all legislative matters, and at our request has often appeared before the Committee of the Legislature, advocating our side of the various questions.

The Executive Committee recommended the adoption of the following resolution:

Resolved, That it is the judgment of this Association that it would be unwise for any Savings Bank in this State to purchase bonds of the proposed issue of $163,000,000 of the Chicago, Rock Island & Pacific Railway Company.

SCHOOL SAVINGS BANKS AUTHORIZED

The Legislature has passed an act to amend the Banking Laws for the purpose of authorizing the organization of School Savings Banks in the public schools of this State.

This bill authorizes the superintendent of public schools to collect from time to time small amounts of savings from pupils, and to deposit the same in some Savings Bank in this State to the credit of the pupils or to his credit in trust for his pupils, furnishing the bank with lists of the names, amounts, signatures, etc., of the pupils

from whom he has received the same. It also authorizes the use of the words, "School Savings Banks" or "System of School Savings Banks," in circulars, reports, or other printed matter used in connection with the purposes of this law.

ADDRESS OF HON. F. D. KILBURN

Mr. Frederic D. Kilburn, Superintendent of the Banking Department, in addressing the Convention, said:

I have always been impressed with the vast importance of the Savings Banks of this State, and I never tire of going over their reports and massing the figures which indicate the vastness of your investments and the enormous amount of money which you have under your control. The very statement that you have got over a billion dollars in your banks is sufficient to indicate the enormous influence which the Savings Banks of this State must necessarily exert, and the vast importance of your institutions.

And then, when you consider that you have got over one billion dollars deposit, about one hundred and seven million dollars on market values of surplus, and over seventy-seven million dollars on par values; that you gained last year in deposits, aside from the interest which you credited, about seventeen million dollars and, including interest credited, about fifty-four million or fifty-five million dollars, these figures, while they are somewhat incomprehensible, show better than anything else, perhaps, the vast growth and influence which the Savings Banks of this State must necessarily exert upon financial conditions in our State. I do not know whether other States have an organization of this kind, but I do know that, since your organization was effected, your influence in the State has proportionately grown, and that a uniform system of conservatism has grown up among the Savings Banks of the State.

You have been extremely fortunate, gentlemen, in the selection of your Presidents. I can remember when Mr. Rhoades was organizing this institution; with others, I believe that he was the leading spirit at the time, and I remember the good work he did. I do not believe that you, perhaps, fully appreciate what you owe to Mr. Rhoades and to other men who took the active initiative in organizing this Association.

He was succeeded by Mr. Mills, who devoted largely his time and labor to his duties as President of this Association, and I tell you, gentlemen, it takes more time and sometimes a great deal more patience than you think of to do the work of a President of this Association.

And then, succeeding him, was Mr. Schieren, and in every one of these three gentlemen who have presided over your deliberations, and been your President, you have been extremely fortunate in your selections. They have shown, each and every one of them, marked unselfishness in the discharge of their duties and have watchfully served the interests of the Savings Banks of this State.

A great deal has been said in Albany during the past winter, and during the years that your organization has been in existence, about the constant addition of railroad bonds to the list of legal investments for Savings Banks. I tell you, gentlemen, and I wish to sound a note of warning, in my opinion the time has come when a halt should be called.

It may be that there are other railroad bonds in the country which are just as safe investments as any which are now included in the law, but if this effort to constantly add to the list of these investments is continued, you will not only get some good investments in addition, but you will get some that are undesirable; and, rather than have one undesirable investment of this kind, you had better eliminate two or three that are desirable.

I know that not sufficient attention is paid to the desires of this Association in Albany with reference to these

investments, and you may be sure that almost every time a bill is introduced—unless it comes from this Association—it is introduced for some selfish motive, that is to say, some man who has a railroad in his district, and the officers of which he wishes to accommodate, will introduce a bill, and he will do everything he can to get that bill through.

The fate of that bill, perhaps, depends not only upon his own active, individual efforts but also upon the other ramifications which all legislators must, or at least do, to a greater or less extent, recognize. And so the outcome is, and has been, and will continue to be, the letting in of undesirable securities of this kind for investments by Savings Banks. Why it is done it is unnecessary for me to suggest, because you all know better than I do that there are many classes of financial institutions in this world which should be as conservative as the Savings Banks in the investment of their funds.

You are acting in a fiduciary capacity. You have no right, from any standpoint, if you can help it, to invest the funds committed to your care in anything about which there is the least question, so far as human ingenuity can detect.

I do not believe that any bill can pass the Legislature if there is a united opposition to it on the part of this Association, and if you cannot stop it by the ordinary means of persuasion, then I would stop it by a resolution, such as I understand you have passed here to-day. In other words, I would not submit, if by any means I could help it, to a bill being foisted upon the State which will permit the Savings Banks to invest in securities of which this Association does not approve. I was asked by a gentleman who represented you at Albany last winter whether I was in favor of the Rock Island Bill so-called. I said: "Yes, of course I am in favor of the bill. Why do you ask the question?" He said: "It has been reported that you did not care much whether the bill passed or not." I said: "I don't know what has been reported.

I have never failed to improve every opportunity that I have had to announce myself as in favor of that bill," which meant the exclusion of certain bonds issued by the Rock Island road from the legal investments of the Savings Banks of this State. The argument had been closed and everybody but the Committee had left. I asked them if a statement of that kind had been made, and they said it had. I asked if it was necessary for me to tell them again that I was in favor of this bill, and they said: "It is not. We know your position very well because you have been here two or three times to tell us that you think the bill ought to pass, and have given your reasons why."

I do not know just why I was misrepresented upon this occasion unless it was that perhaps they thought my ideas about it would have some influence upon the Committee. So you see, gentlemen, to what desperate ends these men, who are in favor of a bill which will admit certain bonds as legal investments or who oppose a bill of that kind that I have mentioned, will go in order to compass their desires. I do not blame you for doing just what you have done here to-day; on the contrary, I told Mr. Van Rensselaer, or Mr. Rhoades, I would pass just such a resolution as I understand you have passed here to-day.

Since this matter has come up I have been thinking about what might be best to do next winter in regard to investments of this kind. I believe that a law should be passed in the Legislature which would do this. Make every railroad bond a non-legal investment, or, in other words, that every railroad bond, before it becomes a legal investment, must be approved by this Association, and that approval put in writing and filed in the Banking Department at Albany. And not until that is done shall any railroad bond become a legal investment for the Savings Banks of this State.

I do not think that that law would be unconstitutional, because I know that some laws have been passed with an analogous condition or provision in them. Your counsel can tell better about the constitutional question concern-

ing such a law than I can, but it seems to me that such a law will pass. I do not believe that the Legislature of the State will hesitate for a moment to put the power into the hands of the men who are more interested than any body of men in the State can be in conserving the interests of its citizens, to say what shall or shall not become legal investments for the banks.

It seems to me that you can pass that bill. Then you will have the control of this subject and will not be troubled from year to year with any bills seeking to make the securities of every little railroad anywhere in the State, or out of the State, legal investments for the Savings Banks of this State.

I believe, gentlemen, that this is very important, and, if it is constitutional, I would try and pass it. I believe you can do it, and I believe that that will solve the problem and cut the Gordian knot.

I thank you, gentlemen, for your attention.

AMENDMENT TO THE CONSTITUTION

An amendment of the Constitution of the Association was proposed and adopted, as follows:

"For the purpose of retaining the services of the ex-presidents who, by reason of their past experience, are enabled to do good work for the Association, the Constitution be amended in such a way as to retain the ex-presidents as members *ex-officio* of the Executive Committee. The by-law reads, Article VI, that the Executive Committee shall consist of nine members of the Association, the President, Vice-President, Secretary, and Treasurer being members *ex-officio*. It is suggested that the President, Vice-President, Secretary, Treasurer, and all ex-presidents be members of the Executive Committee."

THE TAXATION OF SAVINGS BANKS

Mr. Wm. H. S. Wood, President of the Bowery Savings Bank, New York said: I know at the time that a Fran-

chise Tax Bill was before the Legislature at Albany there was a delegation sent there from this Association to oppose its passage. Perhaps, but for one argument, they might have been successful in their purpose. I was told a fortnight ago, by a president of a large institution, that a leading member of the Assembly in Albany, who had to depend on this gentleman for his advice in Savings Bank matters, had said to him: "Why, this is the only State in the Union that has a Savings Bank law that does not derive a large income from a tax upon its Savings Banks." If I make a statement that is wrong I wish to be corrected. He said: "Why should it be the only State in the Union that does not derive such an income?"

Is there another State in the Union that so limits the securities for investment by the Savings Banks of this State as does the State of New York? Not one of them.

Take the New England States. Go down into Maine and begin there and come this way. Every one of the New England States allows transactions that would not be dreamed of for a moment in the State of New York. There you can lend your money, if you please, on a note with an indorsement by a few trustees. You can in Boston, in the State of Massachusetts, under the Massachusetts State laws, buy the stock of any bank, National or State, or the stock of any trust company in the State and add it to your securities. You can buy the stock of most of the railroad companies in the State and add them to your securities.

Give the Savings Banks of the State of New York these opportunities—mark you, we do not want them—give them these opportunities, let the Savings Banks, if you please, of the City of New York, have the power to go down into Wall Street and purchase the stock of the banks there. Why, gentlemen, we have the money here in our Savings Banks to buy the stock of every bank in the city; to begin with, the National City Bank and then the First National Bank, the Bank of Commerce, the Corn Exchange, in fact, all we want. We could control them all. Wouldn't

we make money? Well, now, wouldn't we? Couldn't we pay a small franchise tax? We wouldn't say a word about it.

But you know that the franchise tax to any bank that has anything of a surplus is a serious burden. Last July, when the condition of the money market was such that most of us remember how difficult it was to obtain money in Wall Street, it occurred to me that paying $68,000 as a franchise tax and getting nothing back was a dead weight.

We raised the majority of our real-estate bonds and mortgages from four to four and a half per cent.; almost every one of the banks of this city was standing behind our back and the rate was raised.

The newspapers of the State, and the newspapers of the country, do not appear to have the least idea why it is that the Savings Banks of this State are compelling borrowers upon mortgages to pay four and a half per cent.

We have to get that $68,000 somewhere, and we are going to get it. But I venture to say there is not a single Savings Bank in the State of New York that would not prefer to have the law repealed from the statute books of the State and go back to four per cent. We would be delighted to do it.

I want to offer a resolution at this time which is directly in connection with this matter. It is as follows:

Whereas, the Legislature of the State of New York did in 1901 enact a law imposing upon the Savings Banks of the State an annual tax, for the privilege of exercising their corporate franchise or carrying on their business in such corporate or organized capacity; and,

Whereas, the said so-called franchise tax is, in the judgment of this Association, an unwise and unjust imposition (wholly unworthy of the great State of New York), not only upon the self-sacrificing men who manage the savings institutions of this State, without the slightest pecuniary advantage to themselves, but also upon a vast number of our citizens, therefore, be it

Resolved, That the President of this Association be requested to appoint a Committee at an early date to consider the whole subject and to take such action thereon the ensuing year, or, if necessary, annually thereafter, until the State has been relieved from this stain upon its escutcheon, the banks from an unrighteous and unjust tax, and the laboring and deserving poorer classes from an added burden in their struggle for independence.

The resolution was seconded by Mr. Wm. P. Sturges, President of The Dime Savings Bank of Williamsburgh, and carried.

Mr. William Bayard Van Rensselaer, President of Albany Savings Bank, was elected President of the Savings Banks Association for the ensuing year.

LETTER FROM JOHN HARSEN RHOADES

The following was received from John Harsen Rhoades, and read by Mr. Schieren:

Gentlemen: It is a source of regret to me to be unable to be present at your annual meeting. Were it not that I am under orders from my physician to leave the cares of business for a season two or three times each year, I certainly should remain over until after your meeting; but I am practically forced to leave at an earlier date.

Our recent experience in connection with the bill which was introduced in the Legislature by the Executive Committee limiting the bond issues of the Rock Island Railroad in which Savings Banks might invest has led me to believe that this whole subject of railroad-bond investment should be carefully considered by our Association at its annual meeting, and perhaps more thoroughly understood by all than is now the case; and as I have by your courtesy been in the position of formulating with my associates the various laws relating to railroad-bond investment, I

have thought it well to review briefly the entire subject for your information.

Time passes and we forget things quickly; but it is now some twenty odd years since a small number of officers of Savings Banks, located mainly in New York and Brooklyn, interested themselves in an endeavor to extend the scope of Savings Banks investment. We were determined that, if any relief was obtained, it should be obtained honestly, and that not a dollar should be spent in the lobby or in any way to secure the legislation desired. Such not only was the course of the gentlemen then associated together, but such has been the course of your Executive Committee ever since the foundation of this Association. The result has been that no legislation in which investments of any kind were involved has ever been created directly through the action of Savings Bank officers. The experience of the past has shown conclusively that such legislation is obtained only by influence or by methods which are reprehensible.

Now as to the need of an extension in the scope of investments. In those early days it was felt by all of us who were engaged in the work which I have outlined, that the Government debt was not only decreasing but that such decrease would go on steadily until these bonds of the Government were no longer available for Savings Bank investment. The volume of deposits was rapidly increasing; the debts of the states were decreasing, and there was nothing available in any volume in the list of investments save bonds and mortgages and municipal securities in the State. As the deposits increased and the field narrowed, competition drove the prices of all such securities as we could buy to an abnormally high figure, returning an annual interest rate much lower than the ordinary individual could obtain, and working what we deemed to be a gross injustice to the laboring people of the country whose interests we were endeavoring to serve. Finally we did succeed (by obtaining the assistance of banking houses who wished to have included certain

State bonds) in securing the privilege of investing in the bonds of certain municipalities to be named; and this was of some help, but not enough. In the meantime, the Savings Banks Association had been formed, because it was believed that we must work as a unit for the protection of Savings Bank interests, or the Savings Bank system would eventually be broken down and its purpose frustrated through the influence of those having selfish ends to serve.

The need for further legislation was evident, and the great problem to solve was what class of securities we should advocate as being a safe investment for Savings Bank funds. We naturally turned to the question of railroad bonds. It seemed to us that the underlying bonds of the best railroads in the country formed a security of the first class in every way. They give a wide market both for purchase and sale. They were well known not only in the financial markets of this country, but in the financial markets of the countries of Europe, and, in times of stress or emergency or panic, they possessed a quality which would enable us either to sell or borrow money not only in our own markets but in the markets of Europe. In fact, they would take the place of United States Government bonds, which we practically could no longer buy.

The next question arose as to how we should draw the line as between good and bad securities, and what restrictions we could properly put around the issues in which we might invest, which would thoroughly protect our depositors. Naturally the solution of the problem would lie in the direction of specifically naming the bonds we could buy; that is to say, defining the particular issue of each road; but it was quickly realized that the list would be so long in detail as to preclude any possibility of its receiving the approval of the Legislature of the State, these officials naturally thinking that the list of securities was altogether too long and too broad. Consequently, we had to confine ourselves to naming railroads, and nam-

ing general terms as to the issues in which we could make investments. Our definitions have proved sound and correct in every direction but one. The law provides, among other restrictions, that the bond in which we may invest must be a first mortgage upon the whole or a part of the railroad mortgaged. It was recognized that this might be taken advantage of by an unscrupulous management, and bonds be thrust into the list of Savings Bank investment which would be highly improper issues for a trust of the character we represented; but as the great railroad combinations of the country had been made up of small sections from time to time, finally merging themselves into a vast system, it was found extremely difficult to define the extent of this first mortgage without danger of throwing out some of the very best securities which it was to our interest to purchase, and we concluded to make the experiment as it now stands.

Our experience has shown, however, in the case of the recent Rock Island issues, that the clause in the law is dangerous, and must in some way be amended. What has occurred in the case of the Rock Island Company might occur at any time with some one of the large railroad corporations whose bonds now rank with the very best in the market, and this danger is so great that it is not wise to allow it to continue. As for myself personally, I am and always have been a great believer in railroad bond investments of a proper quality for Savings Bank funds. I believe it is one which is available for sale without considerable loss in times of panic and financial distress. In fact, I am thoroughly in favor of increasing the list of bonds in which Savings Banks may invest just so far as issues can be secured which are first class in every respect. I think we will all agree that what has already been accomplished through the widening of the scope of investments has been of great advantage to our depositors, enabling us to maintain a rate of interest which would otherwise have been impossible to maintain, and giving us a broad market from which to draw our

investments (and the broader you make such a market, as long as you keep within the bounds of safety, the better return can you give to your depositors, with ample security at the back of it). We all remember the time when we were so restricted that we were glad to buy State and municipal bonds at a rate equivalent to an annual return of two and three fourths per cent.

Now what is the danger? Simply this, that banking houses having secured the control of a new issue of bonds, and thinking that they can make a better profit if the bonds are created a Savings Bank issue, go to the Legislature and succeed, in spite of the protest of our Association, in passing their bills and having them signed by the Governor. This has been repeatedly done in the past, and it will probably continue to be done in the future. What, if any, is our protection against this condition? I am free to say we have none, with one exception—and that is available to the banks. It is this: if an issue of bonds is forced through the Legislature at any time in spite of the protest of the Association as represented by its Executive Committee, then notice of the reasons for the objections made should be sent to every bank in the State, and every bank in the State should decide that under no circumstances would it avail itself of the privilege of purchasing bonds made available in opposition to the will of the officers of banks, whose only object in opposing was to protect the sacred trust which has been committed to their care. If this spirit could pervade the entire Association, it would not take long for parties interested in forcing inferior issues of bonds upon the banks to learn that the trouble and expense of making such issues Savings Bank investments were greater than any possible return from selling the securities to the banks at higher than their normal value.

I sincerely hope that this subject will receive your careful attention at this meeting of the Association, and be thoroughly debated with the idea of arriving at a consensus of opinion as to the desirability of increasing the line of

railroad investments, and as to what additional safeguards the Association thinks should be thrown around all issues of this character. The deposits in the Savings Banks to-day amount to eleven hundred millions of dollars, and I can see no reason why, in the course of comparatively few years, this should not reach two thousand millions; therefore the question of investment is a very serious and far-reaching question, and should be considered upon broad lines and with a broad outlook.

Whatever may be the outcome of your discussions, I sincerely hope you will at least pass two resolutions—one directing your Executive Committee to reintroduce at the next session of the Legislature a bill restricting the bonds of the Rock Island Railroad in which the Savings Banks may invest; and the other directing the Executive Committee, at the hands of competent counsel, to remedy the defects now existing in the law so far as the clause reading: "secured by a mortgage which is a first mortgage on either the whole or some part of the railroad and railroad property of the company issuing such bonds" is concerned.

You will pardon me, gentlemen, for presuming as I have done upon your time and patience in asking you to listen to this long letter; but I have been associated with you so long, and have striven so zealously for the building up and perpetuation of our Savings Bank system (which I think is the best of any State in the Union, with possibly the exception of the State of Massachusetts, and which I believe, if kept in purity, is a model for adoption by all the States, fully solving the question as to what is the best method to gather in and conserve the thrift of the people) that I feel almost sure you will forgive the liberties I have taken.

I have the honor to remain,

Very respectfully yours,

JOHN HARSEN RHOADES.

Mr. Schieren offered a vote of thanks to Mr. Rhoades for his untiring efforts and valuable service rendered to the Association in expressing the true situation of the new

issue of the Rock Island & Pacific Railroad bonds. This was seconded, and carried.

Mr. Schieren: Mr. President, I hope I may be pardoned for saying a few words. There is perhaps no one who appreciates more what Mr. J. Harsen Rhoades has done during the past few years for your Association than your late President. He was untiring in everything that he could possibly do or say for the interests of the Savings Banks and their depositors. He is a most gifted man. I am sorry that he cannot be with us to-day, but I believe that I voice the sentiments of this entire audience when I suggest that a vote of thanks be tendered to Mr. Rhoades for his untiring efforts and invaluable services rendered the Association in exposing the true inwardness of the situation regarding the Rock Island Railroad bond investment.

A vote of thanks was unanimously tendered to Mr. Rhoades.

ADDRESS OF HON. STEWART L. WOODFORD

Mr. President and Gentlemen of the New York Savings Banks Association of the State of New York: It is certainly a great honor to be asked to talk with you to-day. I realize that in the long practice of my profession I have had neither the experience nor the training to say much that can be of special value to you. I should have declined the invitation at once, but I realized and appreciated this compliment so greatly that I yielded to the request of my friend, Mr. Schieren, and promised to be with you. I will endeavor to justify the courtesy and the kindness of this invitation by being very brief and leaving you to hear from those who can address you intelligently and even scientifically.

The Savings Banks of the State of New York hold today more than one billion, two hundred thousand dollars. This immense total is more than three times the debt of

the Greater City of New York, and it is within about one hundred million dollars of the entire interest and non-interest bearing debt of the United States. In other words, if the Savings Banks of the State of New York could acquire the Federal debt, they would hold all the interest-bearing securities and about two thirds of the greenbacks. There is poetry, there is pathos, there is thrift, there is tremendous meaning in this enormous aggregate of deposits. The depositors, if you strike out those who hold duplicate accounts with more than one institution, the individual or separate depositors certainly exceed two million in number in the State of New York. They equal nearly two thirds of the entire population of the thirteen colonies when the war with Great Britain was undertaken. They are in the aggregate more than half of the population of Greater New York. These figures mean much.

Now what is the idea of the Savings Bank? It means industry and earned money. It means the economy that saves money. It means the prudent foresight that provides for the rainy to-morrow. It means, in a word, the average, ordinary, thrifty virtue of the great body of the plain people, on which the thrift, economy, virtue, safety, and the stability of the nation depend.

The Savings Bank idea also means the intelligent conservatism that seeks safety and security with small interest rather than speculation and risk with danger to the entire accumulation. It means even more than this. It involves the intelligent, altruistic care that men who have accumulated a competence exercise in looking after the savings and the investments of the industrious folk of moderate means. So that the Savings Bank stands for the virtue that is represented by small accumulations, for the conservatism that preserves property, and for the generous discharge by strong men of the duty and the care of looking after their weaker neighbors. Thus the Savings Banks idea embraces most that really makes for the ultimate welfare of the State.

It stands opposed to the other idea which, for lack of a better phrase, I shall describe as the gambling idea. I do not mean that all ventures are gambling. I do not mean that all far-sighted looking into the future is gambling. I do not mean that the brains and the foresight which create great fortunes necessarily involve the idea of gambling, but there is not a man in this great audience, gathered as you are from the large villages, the inland cities, and the great metropolis, but who must have realized, within the last ten years, that the constant tendency of a large fraction of our entire community is toward the gambling idea in regard to getting and increasing money.

I think I do not over venture the statement when I say that the bucket shops and the pool rooms of the City of New York are taking in more money each day than the Savings Banks are. This is a startling statement, but the boys in our office, the boys in the higher classes of some of our schools, the young men who are working in the shops and in the factories, the men servants in a great many of our homes, are taking the risk of the pool room instead of the safety of the Savings Banks, and are eager, anxious, and striving to get rich.

Now, gentlemen, this thing is eating as a canker right into our business and home life. It makes petty defalcations in your offices, shops, and factories. It makes petty defalcations in my law office. I think I have suggested enough if I can get the men who are in front of me, when you go from this room, to think seriously and thoughtfully about this.

It is not merely wisdom, but it is the imperative necessity of our business and social conditions to-day that we shall help the Savings Bank idea of economy, of industry, of thrift, of conservatism, and that wherever we are, whether in private places or in great directories, wherever we touch with our neighbors, we shall try to put our influence on the side of the conservative Savings Bank idea. Let us try to stand against the gambling and the purely speculative idea which, unless checked and crushed, will certainly eat into and destroy this Republic.

Long ago, the story runs, that One stood in the doorway of the Temple and, with scourge in His hand, drove out the men who defiled the Temple of religion, the money-changers and those who sold doves. Let us stand in every place, small and large, in every circle of influence wherever we touch our neighbor, keeping in thought that figure standing in the doorway of the Temple with scourge in His hand.

ADDRESS OF CHARLES A. CONANT

Mr. Chas. A. Conant said in part:

Mr. President and Gentlemen of the New York Savings Banks Association: The banker who has studied the fluctuations in the prices in the past, and knows the influences which operate upon them, is in a position to judge the future. He will find difficulty in escaping the conclusion that the return upon securities tends downward with the progress of civilization, but he will be able to discover sufficient wavering upward in this downward curve of the rate of interest to enable him to act with prudence and success in taking advantage of favorable conditions.

Recent events have been favorable to the Savings Banks in the sense that they have reduced the prices of many first-class investments. In one sense this has been unfavorable. Where securities were purchased at the inflated prices of two years ago, their market prices make a lower showing upon the balance sheet than is desirable, but where these securities are of unquestioned value and continue to pay regular dividends, there is no occasion for serious regret, unless the mistake of paying higher prices was carried to extremes during the years of inflation. In any case there is now an opportunity to recoup the natural errors of that time by buying the best securities at low prices. Only in this way can Savings Banks continue to pay the rates of interest which are now customary. The Savings Banks have maintained rates of interest upon

their deposits much better than some other enterprises, especially when it is taken into consideration that they cannot afford to speculate even in the most conservative manner by the purchase of securities which are not absolutely safe, not only in the opinion of those who issue and those who deal in them, but in the opinion of the entire investing community. A remark was made to me recently by one of the directors of a Boston bank which puts tersely the present condition of many Savings Banks—that his institution was not paying interest out of the dividends on the securities recently purchased, but was "living on the good things of the past." Fortunately, from some points of view, the opportunity to acquire some of these good things is more favorable at present than it was two or three years ago.

The managers of Savings Banks occupy an important position in the financial world. . . .

In the United States we are all familiar with the growth in savings deposits from $549,874,258 in 1870 to $819,106,973 in 1880; $1,524,844,506 in 1890; $2,384,770,849 in 1900; and $2,815,483,106 in 1903. We have seen Savings Bank deposits multiply by one hundred per cent. in the ten years from 1880 to 1890, and nearly double again from 1890 to 1903. But in Europe also similar gains have occurred. In Great Britain, as in the United States, the Postal Savings Banks enjoyed an increase of deposits by over one hundred per cent. from £67,634,807 ($335,000,000) in 1890 to £140,392,916 ($700,000,000) in 1901. In France the attack by the State upon the church has checked the growth of deposits during the past two or three years, but from 1882 to 1890 deposits rose from 1,802,497,809 francs ($360,000,000) to 3,325,166,407 francs ($660,000,000), and rose at the close of 1900 to 4,274,257,535 francs ($850,000,000). In Germany gross deposits at the close of 1898 stood at 8,106,438,665 marks ($2,000,000,000). Belgium showed a gain of much more than one hundred per cent. from 1880 to 1890, when deposits rose from 125,098,287 francs

($25,000,000) to 325,415,412 francs ($65,000,000), and a still further gain of one hundred per cent. to 1900, when her deposits stood at 661,507,887 francs ($132,000,000). In Italy savings deposits rose from 1,819,702,670 lire ($360,000,000) in 1890 to 2,503,174,624 lire ($500,000,000) in 1902. In Austria-Hungary the increase was from 3,319,743,006 crowns ($660,000,000) as recently as 1896 to 3,717,955,505 crowns ($740,000,000) in 1900.

The directors of Savings Banks, therefore, appear in the world as bidders for new investments to the amount of perhaps $250,000,000 per year.

Among these influences which tend to increase the rate of return on capital are those which destroy it as well as those which create new demands for it for productive use. Among the former is the destruction of wealth in war, which absorbs the savings of years and gives a higher value to the new savings in productive industry. This was the experience of Great Britain in her struggle with the Boers. So great were her expenditures for war purposes that it probably absorbed the savings of the British people for a year and perhaps for several years.

The fall in the price of consols was not chiefly the effect of impaired credit, but the effect of an increase in the demands for capital in proportion to the supply. In 1897, when the movement of the rates of interest was most sharply downward throughout the world, and English consols were quoted at nearly 114, the return which they paid was less than that paid by the Savings Banks which made their investments chiefly in these securities. Banks in coming into the market for high-class securities are relieved of the competition which they would meet from even venturesome investors if there were no channels for drawing off accumulated capital except the gilt-edged securities. It was the gilt-edged securities which advanced most sharply during the years when new enterprises were comparatively stationary and a constantly increasing mass of saved capital was competing every year for a comparatively fixed quantity of safe investments. The present

would seem to be a prudent time for investing in safe securities, with a view of offsetting on the balance sheet the high rates paid for such securities in years where there was less demand for new capital.

At the conclusion of Mr. Conant's address, Mr. Bradford Rhodes moved that a vote of thanks be tendered him for his very interesting and able address, saying that the topic chosen by the speaker was one which he had made a specialty of for many years, and that the members of the Association had been highly edified by the address.

The motion prevailed unanimously.

DOES ADVERTISING PAY FOR SAVINGS BANKS?

The following address was given by Mr. William H. S. Wood, President of the Bowery Savings Bank:

Mr. President and Gentlemen of the Savings Banks Association: I feel a good deal of hesitation in addressing you upon the subject which has been assigned to me, "Does Advertising Pay for Savings Banks?" As I reflect upon advertising as a mercantile force, I am carried back to the history of the early days of the nineteenth century, when this method of publicity was in its primitive stage. Take the early numbers of the *Evening Post* and the *Journal of Commerce.* The following advertisement appeared:

J. Jacob Astor
at No. 81 Quincy Street
next door but one to the Friends' Meeting House
Has for sale an assortment of
Pianofortes of the newest construction
made by the best makers in London
which he will sell on reasonable terms.
He gives cash for all kinds of furs, and has for
sale a quantity of Canada Beaver and Beaver
coating, Racoon Skins, and Racoon Blankets,
Muskrat Skins, &c., &c.

In those times advertising was conducted upon lines of extreme dignity and simplicity. Concise, inexpensive, it might be compared to a brook meandering through the meadows, attracting attention by rippling on its way. To-day it is a rushing, roaring Niagara.

Within a very few years the immense accumulations of the thrifty classes in Eastern Savings Banks have, not unnaturally, attracted attention, and so-called Savings Banks have sprung up all over the land, nearly always stock affairs, whose first consideration is to use the money of their depositors for the benefit of their stockholders. In not one of the states are these concerns so limited as to their investments or their methods of transacting business as in the State of New York.

Department stores in this city, and Building Loan Associations, are inviting the public to open accounts with them—in one way or another ringing in the savings idea, notwithstanding Section 131 of the Savings Bank Law of this State, with which you are undoubtedly familiar.

With these facts before us, it must be appreciated that the deposits in the bona fide Savings Banks of this State are not increasing as they otherwise normally would, and as they should do for the good of the class for whose interests they are organized. All these corporations I have referred to are actively engaged in a vigorous advertising propaganda, seeking to draw to their vaults the savings of those who are industriously accumulating, little by little, the modest hoard upon which depends the happiness and comfort, perhaps of old age, or perhaps of helpless children. Surely it is not for us to sit with folded hands, the benevolence of our forefathers dried up in our hearts, and see such dangerous inroads into the secure refuge which this State has provided for the thrifty and industrious. Why, then, should not we, too, go out and proclaim on the street corners and from the hilltops the blessings freely offered by the Savings Banks of the State of New York? Allow me to direct your at-

tention to another feature in this matter of advertising. A year ago I took this map of the State, and pasted over it, here and there, as possibly some of you may be able to see, a little red dot on the city or town where an organized Savings Bank was in operation. Note how many counties are without them—Rockland, which might naturally be cared for by Peekskill, Ossining, or Dobbs Ferry; Sullivan, by the Savings Bank of Ellenville; Delaware and Otsego, by Binghamton; Schoharie, by the Savings Banks of Albany; Fulton, by Amsterdam; Saratoga by the Albany or Cohoes Savings Banks; Washington, Warren, Essex, Hamilton, Franklin, Clinton, Lewis, and Saint Lawrence, by the banks of Albany, Amsterdam, Utica, Rome, or Watertown; Tioga, by the Savings Banks of Binghamton or Elmira; Schuyler, by Elmira or Ithaca; Seneca, Wayne, Ontario, and Yates, by Ithaca, Auburn, or Rochester; Steuben, by Elmira. And in the western part of the State there are Savings Banks at Rochester and Buffalo only, leaving the counties of Livingston, Alleghany, Cattaraugus, Chautauqua, Wyoming, Genesee, Orleans, and Niagara, which, as at present situated, should be looked after by the banks of Rochester, Buffalo, or Elmira. The difficulties surrounding the establishment of a Savings Bank in this State are now so many and so great, and the competition which exists in the form of National and State Banks and Trust Companies so intense, and the profits to their stockholders so material, that the prospect for additional Savings Banks pure and simple, on the mutual basis, is exceedingly small. Possibly some may say, nevertheless, why is not a Savings Bank organized and started in each of these counties? Well, now, Mr. President, it is not an easy thing in this State, as we all know, to begin and develop a corporation of this sort. Who is going to put up the money for the absolutely necessary expenses? For no one can tell how many years may elapse before the costs of even the most economical administration can be met after paying dividends to depositors. It cannot be forgotten that Mr. Kilburn

will require a satisfactory bond from these trustees, for the payment of this inevitable outgo, before his consent is given to the establishment of any new Savings Bank. I am positively sure that the time will soon come when the older banks, some of them at least, must see the wisdom of establishing branches in promising localities; but meanwhile these fields will be preëmpted by other kinds of Savings Banks, all of them subject to the risks of business and practically unfettered by statutory restrictions as to their investments. Under such conditions and prospects, it must seriously be considered by the many strong Savings Banks of this State, whether they may not wisely extend their benevolent operations beyond the immediate environment of their banking house.

And here, I may say, there is nothing in the law to prevent any bank opening as many branches as it likes, provided only that the Superintendent of Banking is satisfied that the propriety, convenience of access to depositors, the density of the population in the neighborhood, in the language of the law, appear to warrant the issuing of a certificate of approval of such bank as proposed. I very much doubt if any one at all familiar with Savings Banks would not readily admit that such branches by strong banks are infinitely more safe than new corporations, and especially when we know that trustees of such are tempted to make the cheapest investments permitted by law, for the sake of the possible larger returns, and to promise a four per cent. dividend to attract depositors.

How, then, can the missionary work I have suggested best be done? I do not feel that it is my place to do more than to tell you of some methods in operation by the Bowery Savings Bank.

First, and most important of all, the preparation and circulation of a neat little booklet on "Banking by Mail." We send it, with a signature slip and identification card enclosed, throughout the district from which we desire to obtain depositors. Our returns from these have been

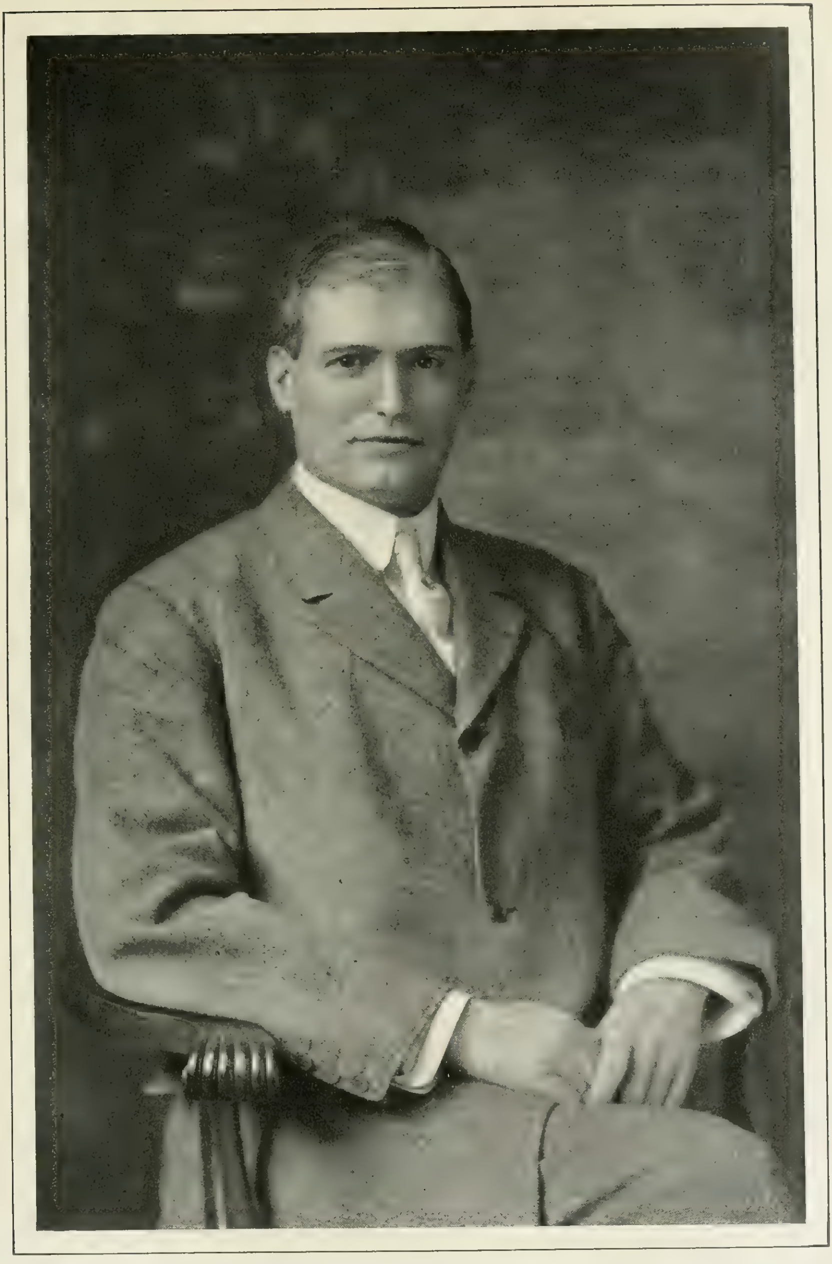
large; and I am informed by more than one non-advertising bank in this city that they have been pestered to death by people asking them to open such accounts. Of course, if they do not want such, we are sorry to have caused any annoyance; but we cannot help feeling glad we have at least stirred the people up. Kindly note here, as I have intimated at the outset, that the Bowery Savings Bank, in most of its advertisements, invites the opening of an account with it, or in any good Savings Bank which may be more convenient. We are not competing with other Savings Banks. We are all brethren in benevolent work, and should pull together. At any rate, that is the way we like to feel and act.

Next, we have a larger and fuller description of our bank, handsomely illustrated, sent to all who ask for it.

We send out in a year to manufacturers in our district about two million pay envelopes, each bearing an invitation to open an account, to be used in weekly settlement with work people. We have tried an invitation card to actors and actresses, people who are so often stranded far from home, utterly penniless. That has had some result, but we are compelled to admit not so much as we hoped for.

We are now engaged in circulating a new booklet to the clerks of this city which, if it promises success, will require several hundred thousand copies to cover the field. Other pamphlets for specific objects are in the press and will be issued shortly.

As to newspaper advertising, it requires caution and sound judgment not to waste more money than is warranted by possible returns. We have tried all kinds; some have paid, some have not. I refrain from going into details, and add simply, as one sometimes sees at the bottom of a servant's reference from his last employer, "Further particulars on application." But please do not ask me to write. You must come in and get them.



CHARLES ADDISON MILLER

PRESIDENT, 1908
COUNSEL, 1908——

LETTER FROM CHAS. A. MILLER

The following was read by the Secretary:

UTICA, N. Y., May 3, 1904.

To the President of the Savings Banks Association of the State of New York:

DEAR SIR: We have witnessed, from time to time, attacks upon our Savings Bank system which have had their rise in various ways, have been pressed from various motives, and have been supported by different interests. We have opposed these attacks, sometimes individually, sometimes collectively, and with varying success. We have escaped taxation upon our deposits, but our surplus has been taxed; the scope of our investments has been properly enlarged at our request, but improper investments have been forced upon us in spite of opposition. We represent the largest aggregation of wealth, in private hands, in the United States, but we must confess with humiliation that we have less influence with the average majority in the Legislature than corporations whose entire capital stock and bonded debt could be paid out of the annual income of one of our banks.

The necessity of frequent meetings and prompt action has made it necessary that a large majority of our Executive Committee should live in New York. This is proper, and I should be sorry to see it changed; nevertheless, I am confident that we shall never be effective in our efforts until some means is found to extend our organization and bring it more closely into touch with the country banks. The country banker is in a position to give most effective aid to the Association. He knows his Senator and Member of Assembly personally, often intimately. He can work up a public sentiment in a small community with comparative ease, and he generally is in position to command the assistance of the local press. All this makes it of the utmost importance that his interest should be aroused, that the purposes of the Association should be

fully and promptly explained to him, and his coöperation secured.

I believe that this might easily be accomplished by a division of the banks into groups on some geographical lines. This might be done by counties or by senatorial, congressional, or judicial districts. The Chairman of each group could then make it his business to visit the different members, and act as a go-between between his group and the Executive Committee. He could see to it that each bank was represented at hearings when this was thought advisable, and at other times he could attend as a representative of all the banks in the group. In this way the attitude of the Executive Committee can be quickly and intelligently communicated to every bank in the Association, and the reasons for it fully explained, and in return, the Committee can be promptly advised of the sentiment of the banks through the entire State. This would tend, I think, to secure harmony and unanimity of action, and by stirring up intelligent zeal among the individual banks would make our organization so compact and powerful that it would be difficult, if not impossible, for the Legislature to disregard its proper wishes.

I regret my inability to be present at this meeting of the Association to present these views personally and to move, as I hope some one may, in my absence, the appointment of a Committee to consider the possibility of further perfecting the organization of this Association, to report at our next annual meeting.

Very truly yours,

Chas. A. Miller,

Second Vice-President, the Savings Bank of Utica.

CHAPTER XII

Twelfth Annual Convention—Vote of Thanks to the Chairman of the Executive Committee, Mr. Miller—Mr. Wm. H. S. Wood on the Attempted Repeal of the Franchise Tax upon Savings Banks Enacted in 1901—Opposition to All Legislation Authorizing the Interstate Commerce Commission to Fix Railroad Rates—Addresses by Professor Stryker of Hamilton College and Col. William Cary Sanger.

PRESIDENT William Bayard Van Rensselaer, of the Albany Savings Bank, called the Twelfth Annual Convention to order on May 18, 1905.

ADDRESS OF PRESIDENT VAN RENSSELAER

Gentlemen and members of the Savings Banks Association: I take great pleasure in welcoming you to the Twelfth Annual Meeting of the Savings Banks Association of the State of New York.

Since our last annual meeting franchises to carry on the Savings Banks business have been granted to the Guardian Savings Bank of Brooklyn and to the North Side Savings Bank in the Bronx. We invite these institutions to join our Association, and we shall be glad to welcome them as members.

The past year has been a prosperous one for our Savings Banks and for this Association. The annual report of the Superintendent of Banks shows that for the year 1904, while the amount due depositors has increased by over $67,000,000, the resources have increased over seventy-three millions ($73,000,000), showing an increase in surplus or reserve of nearly six millions of dollars ($6,000,000).

The work of the Association for the past year will be reported to you by the chairmen of the respective com-

mittees, but I want to call your attention to one feature of the Savings Bank Investment Law which has been passed by the Legislature this year. It provides definitely that twenty-five per cent. of the assets at par of any Savings Banks may be held in railroad mortgage bonds. The interpretation of the old law, made by the Superintendent of Banks, was that twenty-five per cent. of the deposits only might be invested in railroad mortgage bonds at their cost price. This change in the law would permit the banks to increase their present holdings of about $197,000,000 in railroad mortgage bonds to over $300,000,000. It is, therefore, of the utmost importance that these securities should be and should remain absolutely safe. I believe that the investment bill was, perhaps, the most important matter that this Association has ever accomplished, and we cannot be too grateful to Governor Higgins for his hearty support and assistance. The passage of this bill ought to do away with special legislation for Savings Bank investments; but the Executive Committee must be ever on the alert to resist any future attempts to lower the standard or to insert specified cities or railroad securities which do not come up to the standard.

In this connection it seems to me that we should consider the proposed legislation at Washington which would authorize the Interstate Commerce Commission to fix railroad rates and to enforce them at once. The power given to an irresponsible commission, if exercised capriciously or with undue consideration, might result in serious losses in the earnings of the railroad companies and the consequent depreciation of the securities held by the Savings Banks.

At the last annual meeting a resolution was passed for the appointment of a Special Committee to undertake the repeal of the Franchise Tax on the surplus of Savings Banks. The Chairman of that Committee will report what has been done, but I feel constrained to call the attention of the Association to the seriousness of the lack of absolute

concurrence of all the members of the Association in all resolutions duly adopted by the Association or its Executive Committee. In the attempt to get this tax repealed we were told that some Savings Banks men informed Governor Higgins and certain of the members of the Legislature that many of the Savings Banks were indifferent about having this tax removed. The result of this attitude increased the difficulties of the Committee and furnished argument for those members of the Legislature who are in favor of retaining the tax. If any Savings Banks officers are not in unanimity with the work or decisions of the Association or its Executive Committee, let them in any event communicate with the Executive Committee, where both sides of every question will be carefully considered. Loyalty and unity are necessary to success.

REPORT OF THE EXECUTIVE COMMITTEE

Mr. Miller read the report of the Executive Committee as follows:

At our meeting in May, 1904, the Executive Committee reported that Senator Townsend's bill to add to the list of Savings Bank investments "the first mortgage five per cent. bonds of the Utica, Clinton & Binghamton Railroad Company," had passed both branches of the Legislature, in spite of the opposition of this Association, and was then in the hands of the Governor. Governor Odell, after a hearing, refused to approve this measure.

The Committee met on July 14, 1904, and elected Mr. Miller, of the Savings Bank of Utica, a member to fill the vacancy caused by Mr. Van Rensselaer's election as President of the Association. The Committee organized by electing Mr. Miller, Chairman, and reëlecting the other officers. Pursuant to the resolutions adopted at the last annual meeting, the President of the Association appointed Mr. Wood Chairman of a Committee to be se-

lected by himself from the members in each county where there is a Savings Bank, and in such other counties as might be desirable, to consider and take such proper action as might bring about the repeal of the law imposing an annual tax upon the Savings Banks of the State.

At a meeting held on October 20, 1904, Mr. Wood reported to the Executive Committee that he had secured the promise of each candidate for the office of Governor, that he would do all in his power to secure the repeal of this law, if elected. He reported that he had sent some sixteen hundred letters to the editors throughout the State urging them to work for the repeal, and that he had furnished the banks with circulars for distribution.

A Committee, consisting of Messrs. Rhoades, Mills, Schieren, Van Rensselaer, and Miller, was appointed to take up the matter of the present law regulating Savings Bank investments, and, if necessary, to draft an amendment or devise some method for the better protection of the banks, and submit the same to the Executive Committee.

The bill prepared by this Committee, with the provisions of which they are now, without doubt, sufficiently familiar, was submitted to Messrs. White and Kemble, well-known experts on railway securities, and, with their report upon it, was presented to the Executive Committee at a meeting held on February 14th. The Committee acted favorably upon it, and authorized its introduction in the Legislature. Copies of the bill and of the report of Messrs. White and Kemble were sent to each bank.

The bill was subsequently introduced in the Senate by Senator Stevens, and in the Assembly by Mr. J. T. Smith, the chairman of the Committee on Banks. A hearing was had upon this bill before the Senate Committee on March 1st, which was largely attended by representatives of the banks, and the bill was favorably reported to the Senate, which, however, subsequently recommitted the bill for a further hearing. In the House Mr. Smith obtained the passage of the bill without delay.

Upon the second hearing before the Senate Committee on Banks an effort was made to add by name the bonds of the Chicago & Eastern Illinois Railroad Company to the list of legal investments. This was opposed by your Committee, and although the Committee on Banks reported favorably upon this change, it was finally abandoned, and the bill passed the Senate in the form in which it had been prepared by your Committee. At this writing it is before the Governor and will undoubtedly receive his approval.

Your Committee feels that it is greatly indebted to Messrs. Smith and Stevens for their efforts in securing the passage of this legislation, and especially wishes to record its appreciation of the attitude of Governor Higgins, without whose active coöperation its efforts would hardly have been successful. The Governor appreciated fully the importance of our proposed amendment and did not hesitate to give us, as far as he could properly, the benefit of his approval and support.

Several bills repealing the so-called franchise tax upon the surplus of Savings Banks were introduced in both Houses of the Legislature, but remained in Committee until close to the end of the session. Although Governor Higgins urged the passage of this legislation and one of the bills passed the Senate, an objection prevented its being reached for final passage in the Assembly. The indefatigable efforts of Mr. Wood in behalf of this repeal are fully appreciated by the banks. The details of this struggle will appear more fully in the report of this special Committee.

Your Committee entered a formal protest against the bill introduced in the Senate by the Committee on Taxation and Retrenchment "to amend the tax law in relation to the taxation of mortgage indebtedness" popularly known as the Mortgage Tax Bill. Nevertheless it was not thought advisable to attend the hearing upon the bill or to enter upon an active campaign of opposition, because it was apparent that, the bill having been made

a party measure, opposition would be absolutely futile, and would serve only to alienate the leaders of the Republican Party on whom we relied for the repeal of the present franchise tax and the passage of our investment law.

It was evident that the franchise tax would only be removed if other sources of revenue could be found, and active opposition to the Mortgage Tax Bill would, if successful, have prevented the fulfilment of this condition precedent, while, if unsuccessful, it might still have defeated our efforts for repeal by arousing the antagonism of the party in control of the Legislature. As the MortgageTax Law applies only to loans made after July 1, 1905, the Committee felt that, at worst, it would not impose a very heavy impost upon the banks for some years to come, and that between two evils we might better endure this than the tax upon our surplus funds. That we should be obliged to endure both could not then be foreseen.

The bill introduced by Senator Cassidy requiring banks to pay over to the State the amount due upon all accounts on which neither deposits nor withdrawals had been made for ten years was reported favorably by the Committee on Banks, but at the request of your Executive Committee was committed for a hearing. This was had on April 27th, and, in spite of energetic protest by your representatives, the Committee reported the bill favorably. Fortunately, however, it was not reached before the adjournment of the Senate.

The Committee also entered a protest against several other bills more or less injurious to our interests, and none of them became laws.

Mr. Mills: I think that there is a word of explanation due to the Association so that it can appreciate, in some measure, the value of the services of the Chairman of the Executive Committee. Mr. Miller drew that bill himself. It was a work that took a great deal of time and a great deal of close study, and I do not think that the result

could have been more ably attained by any counsel whom we might have retained. That is the so-called investment bill to which I refer.

I speak of what I know because I was, from the commencement, a member of the sub-committee appointed by the Executive Committee to take up this matter and carry it on to the end. Mr. White, in an interview with me, told me that he thought that the provisions of that bill were the best that he had ever seen in any Savings Bank investment bill, and that he thought it would be only a short time when it would be copied by most of the states in which Mutual Savings Banks existed.

Mr. Miller is a very modest man and I think it is simply due to him that this Association should appreciate in some measure the immense amount of personal work that he has put into this matter, not only, as I say, in drawing the bill, which he did himself, but also in his unceasing effort to pass it through both Houses of the Legislature. I think an expression of this Association should be recorded on the minutes in appreciation of his services.

This resolution was seconded by Mr. McMahon, also a vote of thanks to Mr. Rhoades; both were unanimously carried.

ATTEMPTED REPEAL OF THE FRANCHISE TAX LAW

Mr. Wm. H. S. Wood presented the following report on the repeal of the Franchise Law:

Mr. President and Gentlemen: Your Committee, appointed one year ago to promote the repeal of the Franchise Tax upon Savings Banks enacted in 1901, beg respectfully to report:

The Chairman of the Committee, with the assistance of

the President of our Association, selected thirty-five gentlemen from various sections of the State, who were thereupon appointed to serve as the Committee.

It was recognized that while the trustees and officers of Savings Banks could not properly take any part in politics, and had no wish to do so, nevertheless we were confronted by a condition which we had found ourselves unable to remove without the assistance of those most vitally interested, namely, the depositors themselves. From the two millions, four hundred thousand of these, we eliminated, after careful and laborious calculation, one million, nine hundred thousand as women, minors, and others, leaving fully five hundred thousand of the depositors in the Savings Banks of the State as probable active voters in any election. If it was found necessary, it was determined that these men should be informed of the injustice being done them by the Legislature of the State, telling them that the remedy lay in their votes, in their sending to the Legislature of 1905 such men only as pledged themselves to repeal the tax.

In August last, just previous to the nominations for Governor of the State, the Chairmen of both Republican and Democratic Parties agreed with us to insert in their platforms a plank committing each to the repeal of the Franchise Tax on Savings Banks, which plank as submitted to us was entirely satisfactory. This subject was submitted to both candidates for the Governorship, with a request that they incorporate in their respective letters of acceptance definite declarations advocating the repeal of this tax. Both of these gentlemen complied with the request, and, as party leaders, in the most definite and positive manner pledged their parties to such repeal.

Your Committee, in order to bring the subject directly to the attention of the voters of the State, and especially that large number of them who were individually interested—depositors in our banks—had a pamphlet prepared and printed, entitled "For Repeal of the Franchise Tax on Savings Banks" also a leaflet containing the

official statements, of both Republican and Democratic platforms, and the letters of acceptance of the candidates for Governor of both parties. Of these documents several hundred thousand copies were handed to our depositors and circulated in other ways.

Your Committee desires to place on record its high appreciation of the honest and active coöperation of Governor Frank W. Higgins. He placed the repeal of the Savings Bank Tax before both Senate and Assembly in an Emergency Message which was sent to the Senate and to the Assembly on the 4th of this month, in which it will be noted that he properly places the reason for such repeal solely upon the fact that the party and its candidates had pledged themselves before the election to do so.

In his message he says: "Pledges to the people must faithfully be kept, and cannot safely be ignored on the specious plea of necessity. The Republican Party is committed to this repeal by the repeated public declaration of its candidates. It cannot afford to refuse to do its duty in this regard. The reasons for relieving the Savings Banks from this tax as a matter of justice are more cogent now than at the opening of the session."

We Savings Banks men are not laboring for ourselves. We have no personal interest in urging upon our Senators and Assemblymen that a mistake has been made; that this tax is unjust; that it does more or less deprive our poor depositors of a rate of interest that the Savings Banks would all be glad to pay. It is true that probably in no case would the amount of the tax upon any bank enable that bank to pay an additional half of one per cent. to its depositors; but, bearing in mind that the State law forbids the payment of any dividend which is not earned by the bank, and that oftentimes even less than the amount of the tax would enable a bank to show earnings enabling it to pay a half per cent. more than it can now do under this incubus, we insist that it be recognized we are working with the State to elevate and protect the working people

of our State. We want to work in harmony with the elected and appointed officers of the State Government, quietly, unobtrusively, subject to such wise laws as, with this one exception, have heretofore been enacted; but if the poor people for whose protection we are organized are injured ever so little by unjust laws, we should be faithless to our trust and to the State which has placed our depositors in our hands, if at such a time as this we did not remind the political party in power that Abraham Lincoln once said: "You can fool some of the people all the time; you can fool all the people some of the time; but you can't fool all the people all the time."

Senator Alfred R. Page of the Nineteenth Senatorial District, by request, took charge of our bill to repeal the Franchise Tax, in December last, and introduced it into the Senate on the 4th of January, the first bill on the calendar. It was allowed to rest in the hands of the Committee on Taxation and Retrenchment without disturbance for four months, because Governor Higgins had told us that he could not urge this bill upon the Legislature, depriving the State of ever so little of its income, without first finding other means for increasing the revenues of the State. It was most unfortunate that this condition existed, and that so great difficulty was found in providing sources of revenue, since the delay carried over the consideration of our bill until the last day of the session.

Your Committee was invited to attend a hearing on the bill early in January, but respectfully declined anything of the kind. If there was anything in connection with the Savings Banks of this State which had not been thrashed over time and again before the Legislature, this, at least in our judgment, was not the proper time to go into details again. We had pledges of parties, governors, candidates for governors, from some Senators, and from many Assemblymen, to repeal this Franchise Bill. Why should we do anything to obscure the issue? We depended upon the promises of more than one man. The parties went into the election of 1904 with pledges which they

meant should be understood by the people in only one way—the tax was to be repealed.

Immediately preceding the opening of the Legislature, your Committee became aware there would be serious difficulty in securing the passage of the contemplated act, for the reason that the Republican Party had determined, as part of its policy, to adhere to the system of the so-called indirect taxation, and would not consent under any circumstances to any measure which might require a return to direct taxation. The existence of a large deficit in the State revenues required that new sources of income be found. Governor Higgins and other party leaders stated to your Committee that it would be unwise to urge the repeal of the Savings Banks Tax, with the consequent loss to the State of about seven hundred and fifty thousand dollars of revenue, until the additional revenue required to meet the deficit had been provided for by the passage of other pending measures, particularly the Stock Transfer Tax and the Mortgage Bills, concerning which there was serious division of party opinion. The history of these revenue measures is familiar to you all. Because of the bitter opposition to them in certain sections of the State, their passage was delayed for many weeks, in fact, until almost the close of the Legislature; and until they were disposed of it was deemed inexpedient by us to urge the bringing forward of the Savings Banks Repeal Bill. The measure thus did not come up for consideration until the very last day of the Legislature, when it was, with a good majority, passed by the Senate, where the chief opposition had been expected. The delay, however, made possible its defeat in the Assembly by obstructive tactics through which consideration of the measure might be, and actually was, prevented. Unanimous consent is necessary for its immediate consideration by the Assembly when transmitted by the Senate. Late as it was, this consent could have been obtained had certain party leaders carried out their promises, and had the pledges of the platform been considered binding by them.

The influence which the promoters of the bill had a right to expect to further the passage of the bill through the Assembly was not exerted; consequently the obstructionists were able to defeat the bill by preventing its being brought upon the floor for discussion and a vote. Had the leaders in the Assembly permitted a vote upon it, or had it been practicable to advance the measures at an earlier day, it would in all probability have been passed. As the situation now stands, Governor Higgins expects to call an extra session of the Legislature, probably in June. At that time the attention of the Senate and Assembly will again be called to the Repeal Bill, and we have reason to hope it will then become a law.

Mr. Smith, President of Mechanics Savings Bank, Fishkill: In this mutual government of ours in which we all associate on a basis of equal right and joint liability, where every man's life is pledged, if the needs require, to the defence of the Government and its property in the ratio that it may bear to the whole of those needs, no man is exempt by right from assuming his share of the load and he must not shirk it.

The Savings Banks of this State have as depositors about two and a half millions of people, at least the books show about this number, living or dead. Of this number, about four fifths are confined to the City of New York and the counties of Erie and Albany, leaving about one fifth from the other fifty-six counties of the State. Of those fifty-six counties, thirty have no Savings Banks.

You have experienced great difficulty recently in your efforts to obtain mortgage loans which are absolutely necessary to you, and many of you have been put in dire straits from mortgages which have been called which it was difficult for you to replace.

Your applications to the local capitalists have been met, we fear, with opposition. Go over to your bank and ask them where the local capitalists are finding investments for their capital. They will tell you that they have daily applications for drafts remitting money to the great

Savings Banks in New York whose special privilege enables them to pay a rate of interest far in excess of the market value of money on securities as good and as valuable as they offer. The result of this is that they have become the great refuge of the tax dodger. The money of the State is seeking freedom from taxation behind their doors.

Now, gentlemen, this is a serious thing for you to consider. Those are the arguments that are used before the Legislature. They not only go as far as this, but they go further. They say that the workingmen of this State are told that this great aggregation of capital belongs entirely to them, that every dollar is their own. We cannot wonder that they do not appreciate or comprehend this in the few brief seconds that they are permitted to stay in the magnificent temple of marble and bronze while they are making their deposits, or that their shops and crowded tenements seem no more homelike by reason of a comparison.

Now, gentlemen, in regard to this bill which came before the Legislature, Governor Odell, when he was inaugurated, was perhaps better equipped than any man who ever took that office with a knowledge of the wants and the needs of the people. He knew the feeling of unrest, the feeling of dissatisfaction, that existed throughout the State, what they considered to be an unjust proportion of the taxation which they were bearing, and it was his determination, if possible, to relieve them from it under certain various methods. He believed that there was a large number of people who were not paying what they should pay, and he believed that he could get enough of those to pay the State Taxes and divorce the counties entirely from taxation, which would accomplish a very large part of this measure. He searched the different interests to find means of taxation, and it was his determination to put no tax on any set of people in the community which should in any way be burdensome. The tax on Savings Banks was fixed at one per cent., certainly not enough to in any way affect the amount paid to the de-

positors. But there was no class of people who received that proposal as did the Savings Banks people, with so much, I may say, apparent scorn.

This matter came up in the present session. There were three or four bills introduced in the early part of the session and they went to the Committee on Taxation. No effort was made to get them out, and our friends here, who are familiar with legislation, know that no bill gets through, that the Committee will not put it out, unless somebody shows the necessity for it. No efforts were made to get the bill out for the reason that the Savings Banks people had a measure there far more important—the measure for standardizing the investments of the Savings Banks, and the Committee knew that they represented these depositors. For that reason it was left until the last day of the session and then passed the Senate, and it would have passed the Assembly but for this reason.

In a caucus of the Republican Party considering these matters of taxation this was discussed with other matters, and I heard many men say that they believed that it was a party obligation, and if it came to a vote they would vote for it, but as expressed by one very influential leader: "Damn them, we will get square with them next time." That is the situation.

The members of the Legislature are elected to represent their constituents. Their constituents, in a great measure, represent the great business interest of this State and represent the dominant party. While you may have obtained a pledge and they have carried it out, I assure you that it will react on you. It is dangerous ground that you are treading upon. The proposed tax is very small and does not in any way affect you, and there are thousands, yes, millions of voters in this State who are equally as deserving as the depositors in the Savings Banks. They are scattered all over the State, on the farms and in the shops. They are men who will improve the State, and they are compelled to pay on the average two and a half per cent. They believe it is unjust that

you should ask to take this small tax off the banks and add it to the other taxpayers of the State.

I tell you that there is a sentiment which the leaders cannot control, and it is a dangerous position that you are taking in trying to repeal it.

Mr. Miller, of Utica: The President of this Association, in his report, called the attention of the Association to the subject of railway rate legislation by the Interstate Commerce Commission. I think that is a very grave subject, worthy the careful consideration of the Association, and in order that it may come fully before the Association for discussion, so that our action may be deliberate and such as may be safe for us and wise, I offer the following resolution, which I will send to the table to be read, bringing up that subject.

The resolutions are as follows:

Whereas, The depositors in the Savings Banks of this State number approximately 2,443,000 and the deposits amount to $1,200,000,000, and the various Savings Banks are the holders of the securities of the steam railroads to the amount of about $197,000,000 or over sixteen per cent. of the deposits, and the value of those securities is dependent wholly upon the property which they represent earning an adequate income; and,

Whereas, The existing statutes, if enforced, provide fully against unreasonable rates and preferences or discriminations by the railroad companies. Now, therefore, be it

Resolved, That the Savings Banks Association of the State of New York is opposed to all legislation authorizing the Interstate Commerce Commission to fix railroad rates and to enforce them at once, as tending seriously to compromise the earning power of railroad companies and their ability to meet their outstanding obligations; and that this Association earnestly urges the Government to enforce the existing statutes and thus remedy such evils as exist, instead of conferring additional power on an irresponsible commission which might be exercised in a way to depreciate Savings Bank investments.

Resolved, That these resolutions be transmitted to Hon. Stephen B. Elkins, Chairman of the Senate Committee on Interstate and Foreign Commerce and be sent to the Senators and Representatives from this State.

Mr. W. J. Coombs, President South Brooklyn Savings Bank:

I hope this resolution is not going to be voted upon without thoughtful consideration. If a question of that kind is sprung upon this meeting, I should deprecate it very much. We have two great forces at war in this nation and I do not think that we should, without proper consideration, take sides in that matter.

I do not believe in weakening the hands of our President in the contest he is making. I am a Democrat, but I fully appreciate the efforts which he is making. I am not a Populist, I would not confiscate the railroads, but the time has come when, in the administration of their trusts, they must be brought to account to the people. In my service in Congress I found out how they over-ride the wishes of the people. I was a member of the Interstate and Foreign Commerce Commission when a pooling bill came before the committee for consideration. The counsel for the railroad company said: "Give us this pooling bill and we will permit you to amend the Interstate Commerce Act." I said: "What? Do I understand you right? You admit this Interstate Commerce Act is defective and we expect to improve it. Do I understand you to say that if the Congress of the United States does not give you this pooling bill that the Congress of the United States shall not be permitted to amend a defective act?" He admitted that was what he meant. He said: "You never have been able to do it and you never will be.

The President may not have taken the right measures, but he finds that out as he goes along. Do not let us play into the hands of the railroads, who are not regarding the rights of their stockholders, who are not regarding the rights of the people, but who are acting as an independent

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force and attempting to ride over legislation and the rights of their stockholders. If we cannot sustain the President's hands in this contest do not let us weaken them. I shall object to that as far as lies in my power. Although a Democrat, representing a Democratic constituency when I was in Congress, I hold that this is a weakening of the hands of the Executive of the nation if any action is taken, unless it be by the whole body of the Association.

The resolution was on motion referred to the Executive Committee for subsequent action.

ADDRESS OF PRESIDENT STRYKER, OF HAMILTON COLLEGE

President Stryker, of Hamilton College, addressed the Convention, in part, as follows:

Mr. President and Gentlemen: My experience so far has not shown me that talking to bankers does much good. I find that they always seem to have their minds made up in various theories of their own that could not always coincide with mine, and they have an alacrity in saying yes or no, but usually no.

I want to speak to you about three things in which, it seems to my mind, with our enthusiasm and knowledge as American men, we can share and share alike. It is wonderful how, taking a train in the evening and passing through two or three hundred miles of latitude in the night, you awaken to find yourself suddenly in a new world of leafage and blossom. For these imaginary lines of latitude which, after all, are our attempts to put climate upon the map, and sleeping or dreaming as we go, how many mornings are there that we awaken and find ourselves in a new world? To my thinking, this world was never so attractive, so romantic, so dramatic, so inviting as it is to-day, and in the spirit of this particular thing which I shall call international, a matter of which we are

not fully aware unless we have given it sharp and close attention.

If there is anything, gentlemen, that is international, it is finance, and expensive war on the other side of this sphere temporarily seems to aid us, but all the world over mankind pays the ultimate bill. It may be indirect, but it is sure. By that hydrostatic paradox in which, as you recall, water flowing from any source into different-shaped vessels rises at last to just the same height in each, so it is with the world: the whole round world is for man's resources. He rules the wires and the wireless currents of the air which are binding and belting this world fast together internationally. You may like it or you may dislike it, but for my part I believe that it is the province of Almighty God at this present time to form a unity and create a solidarity of the races. Let us be big and not little; let us not be like the ostrich and put our heads in the sand. I think we are taught—at least we ought to be taught—that the white race is no special favorite of God Almighty in any such sense as that it can successfully work, even with its adverse possession of the world, against that eminent domain which belongs to man as man.

I am prepared to stand by this dogma that democracy is that form of housekeeping for men, which we call government, in which every man counts one; not two, not one and a half, not a half of one, but one, as a man. Bismarck said that "the best government is a benevolent despotism," to which Matthew Arnold replied: "it is against the instinct of mankind; human nature fights it."

Gentlemen, it is the genius of the race and of the spirit of that freedom of which we are all a part, and in which we all share, to be governed by courts, not by presidents, not by governors, not by legislators, but by the judges, and Anglo-Saxon freedom finds its incarnation and type upon the bench. This or this may make the laws, this or this may sign them, but at last the judge, sitting there

as the incarnation of the public purpose, of rational equity, sitting there as the embodiment and representation of the people's conscience, says whether this is or is not law.

That we may be preserved from the terrors of wild individualism, or that we may be preserved, on the other hand, from corporate rapacity, which does to the many what it would scorn to do to the one, so neither in bulk nor in detail shall any man, or company of men, in all this wide land be outside of the law, be above the law, or be beneath the law. That is Anglo-Saxon freedom. That is Americanism. America is the land of the judge, the land of men, the land that cares for all lands all over the world and believes that freedom is of no latitude, of no longitude, that feels that which concerns any man is the concern and duty of every man.

I think we should be thankful for our problems, duties, and privileges—for surely are not our duties our privileges that in these days are thrust upon us—when we think how much and how sure and fast we cannot say any more. Every life is measured by what it feels, and bears, and wins, not by its mere duration.

ADDRESS OF COLONEL WILLIAM CARY SANGER

Gentlemen: When I received your very kind invitation to come here to-day I accepted it with the greatest pleasure, not only because I have a warm personal regard for your President and Mr. Miller, of your Executive Committee, through whom your invitation came to me, but also because I feel it a very great privilege to meet a body of men who are engaged in the work of caring for billions of dollars and who are doing that work without a thought of personal profit or selfish gain.

The fact is that in this work of such far-reaching importance you have maintained ideals which are in our day sometimes forgotten, not only by the depositors in your banks, but the entire community to whom your work is a wholesome and helpful lesson. This line of thought has

shaped in my mind the subject upon which I want to speak to you briefly to-day.

Certainly some, and possibly all of you, will agree with me when I say that there is not a civilized country in the world where there is so little respect for law as in the United States. I do not refer to that sullen, dogged determination to oppose the settled rules of society which we see in the professional law-breaker or criminal, but I refer to a widespread lack of respect, reverence, and honor for law as law.

When any law or any statute is brought to the attention of an individual, it is not uncommon for him to submit it to his personal judgment. If it runs counter to his interests, or to his pleasure, if it seems unwise, or fallacious, or ill-advised, sometimes he plans to evade it and at other times he draws a mental re-line through it, and for him it is as if that law did not exist.

Take the excise law. I do not suppose there is any city, village, or hamlet throughout the length and breadth of this State where the excise law is not secretly and almost openly violated. Take the law which affects the homecoming traveller from Europe with his purchases. It was plain and simple, but the man who complied literally with the provisions of that law was considered by many a crank or certainly an exception to a very general rule. And so it runs throughout all the many ways in which the statutes affect us. I shall not attempt to say that we all have this disregard of the law, but I do say that, in my opinion, there is one cause which frequently and materially contributes to it, and that is a lack of respect for the sources of our laws. Rightly or wrongly, there is a general feeling of distrust of most of our State legislators. How many legislative bodies are there in the whole length and breadth of our country, in all the States from one ocean to the other, who have the absolute confidence and trust of the community whom they represent? We are confronting a disagreeable dilemma. Is it that the communities have improperly suspected men who are not

deserving of reproach, or is their estimate of these men accurate? The moral turpitude involved in either horn of the dilemma is unpleasant to think of.

Without attempting to go into all the causes which affect the esteem in which we hold our legislators, I want to say that, in my opinion, there is one cause bearing directly upon our interests, and that is the secret use of money in our political life. I do not believe that it would be possible for one man, or for any body of trustees, to conduct a hospital, a library, or a church and receive a sum of money from an unknown source and disburse it without avoiding scandal and suspicion, and yet that is the way in which our political canvasses are conducted.

We must never forget that it takes large sums of money to conduct a political campaign. It takes money, unfortunately, to carry on almost any kind of work. But practically, if we want to interest ourselves in some question that bears directly upon our political life, it seems to me that one of the most important things for us to do is to use our influence in the direction of demanding, or in the effort to draw from the public a sentiment that will demand, a law which will do away with the secret use of money in our political life. These are but one or two points in regard to which there is need to-day for action on the part of the people. Whatever conditions we may find that we think wrong or improper, we must not forget that they exist by the will of the people. Our Government is not, as some men sometimes think, inevitably the best in the world. It differs from other governments in that we can make any kind of government we want. We can make it as bad or as good as we want it, and in that lies the responsibility to which Dr. Stryker has referred. Upon every man rests the burden and the duty of doing what he can to bring about better conditions.

In the literature of the Christian Church there is a sentence which I will modify: "It is not by the good votes of a nation that you make it grow, but by strengthening the soul of the nation." And so what we need to-day is a

quickening of the public conscience, an uplifting of our public standards, and the strengthening of the hearts of the nation.

As I think of these evils, I am reminded of a story of Lincoln. When he was a young man he witnessed the sale of human beings on the auction block. That custom was warranted by law and was justified from the pulpit; but the instinctive sense of right and wrong of that young man made it plain to him that it was an outrage, and he said: "If my life is spared I will hit that some time, and I will hit it hard." And Providence permitted him to strike that blow. But he never could have struck it if he had not had back of him the hundreds of thousands of people who made it possible for him to carry out the wish which was in their hearts.

The doctor has said that we live in an interesting time. Certainly our days are full of interest. We see these disagreeable features of our life manifesting themselves in one way or another, and yet it seems to me there is no room for pessimism. We get better all the time. The very spirit of public conscience which makes us resent these conditions is in itself a helpful sign. It means that we must live up to the responsibilities of our day. We have before us a fight which cannot be successfully conducted without the aid of every man. It is a hard fight, but it is worth the making because the victory is one that we must win.

In 1900 I was in Switzerland writing a report for President McKinley on the Swiss military system. One day, in the month of August, a young Swiss officer, looking at the distant mountains capped with snow and beautiful in the light of the setting sun, said to me: "It is a land worth fighting for."

Not in the spirit of any desire to meet a powerful foe on our frontier, nor to meet a hostile fleet threatening us with bombardment, but in the spirit of true American democracy and patriotism, in a spirit which recognizes the strength of the evils which are to be overcome, and

which recognizes the force, the energy, and the sense of duty that is capable of being put into that fight, I believe that every American can say to-day, as he thinks of our institutions and our national life: "It is a land worth fighting for."

CHAPTER XIII

Thirteenth Annual Convention—Address of President Wm. B. Van Rensselaer—Report on the Attempted Repeal of the Franchise Tax—Address on New York City's Credit by Mr. Frank A. Vanderlip—Professor Taussig's Address on "Reform in Currency."

AT THE opening of the Thirteenth Annual Convention, held on May 9, 1906, President William Bayard Van Rensselaer welcomed the delegates in the following words:

PRESIDENT WILLIAM B. VAN RENSSELAER'S ADDRESS

In this address I intend to refrain from trespassing in any way on the reports that will follow in the due course of our business; but I am sure it will be interesting to you all to hear that on January 1, 1906, the one hundred and thirty (130) Savings Banks of this State had 2,669,779 open accounts, a gain for the past year of 126,247. Also, that during the year 1905, the amount due depositors from the Savings Banks of this State has increased over $93,000,000. While this growth is very much larger than that in any previous year, yet the surplus computed on the market value of investments has increased during the past year less than $600,000.

On the floor of the Senate in Albany this winter, Senator Lewis made a statement in his speech against the repeal of the tax on the franchise of Savings Banks that in 1901, the year in which the tax was imposed, the surplus of Savings Banks of the State was about $70,000,000 and now amounts to over $85,000,000. This, he said, proved that the tax was no burden to the banks. While these figures are correct, so far as the par value of the surplus

is concerned, yet we all know that the par value of the surplus does not represent the real value, and that we pay little attention to the par value except in connection with the tax. Let me give the actual conditions.

On January 1, 1901, the amount due depositors was $947,139,638.90. The surplus computed on the market value of the assets at that time was $118,294,674.25. This represents about twelve and one half per cent. of the deposits.

On January 1, 1906, the amount due depositors was $1,292,358,866.96. The surplus computed on the market value of the assets was $112,834,424.92, which represents eight and seven tenths per cent. of the deposits; a shrinkage in percentage of from twelve and one half to eight and seven tenths per cent. This market value of the surplus was then nearly $5,500,000 less than the amount held by the banks before the tax was imposed. During this period (and including what must be paid July 1st) the tax amounts to over four and one half millions of dollars.

The Chairman of the Executive Committee will report what has been done in the effort to repeal the Franchise Tax, and it will be for you to decide whether it is desirable and good policy to continue this work. I am thoroughly convinced that it would be a mistake to do so, if it necessitates the dragging of our Association into party politics. We should keep as free in the future as we have in the past from allying ourselves with any political party. Should the Savings Banks Association endorse either of the political parties because that party has given or promises to give pledges to repeal the Franchise Tax, I think it would make a great blunder and would endanger the continuance of the Association itself. As Savings Banks generally expect to hold to maturity the securities they buy, the par value of the assets is of little concern; so also is the market value, unless they have occasion to sell securities. But the real interest and vital question is to be sure that the securities are carried on the basis at which they were purchased, so that the premiums paid on the

purchase of securities shall be credited back to the principal account before the maturity of the bonds. The Executive Committee will make important recommendations on this subject which I hope will be thoroughly discussed.

The Executive Committee will also report why it was necessary to amend the General Investment Law this year. It is believed that the law is now as nearly perfect as it is possible to be made, and I hope that our Association will not have to ask the Legislature to further amend this law, but, on the contrary, will be able to prevent its amendment by other interests.

As an Association we took no part in the agitation regarding the substitution of a recording tax instead of an annual tax on mortgages; but, if this bill is signed by the Governor, I believe it will be a great improvement on the present law and will be of great benefit to the Savings Banks as well as to the real estate interests of the State.

REPORT ON FRANCHISE TAX

The following report on the Franchise Tax was read by Mr. Wm. H. S. Wood, Chairman of the Committee:

We find that very many men throughout the State do not understand why a tax should not be levied upon Savings Banks in the State of New York when they are so universally imposed in other States; and few take the time and trouble necessary to investigate the Savings Bank laws, especially of the New England States, which differ so radically from those of the State of New York, in the comparative freedom of investment which they permit, and which enable the Savings Banks in these States to earn a larger income than those of the State of New York.

For the second time the Legislature has adjourned and we have failed in accomplishing our purpose. To any one who has followed the course of legislative proceedings the past two years it is plainly manifest that our failure

to pass our bill has been in consequence of the split in the dominant political party which at present controls the Legislature of the State; and the failure of our Repeal Bill this year was clearly the result of such fractional contest.

From the opening of the Legislature in January last everything seemed to promise favorable action for us, but nearly at the close of the session the bitter feeling, which had been growing, culminated in a personal attack upon the proposer of the Franchise Tax Repeal Bill, and it was consequently finally killed beyond resurrection at this time.

Your Committee believes that the Association should continue the fight; a personal canvass of its members shows an almost unanimous judgment in this direction. This tax is the first serious attack upon the money of the poor of the State, held as a sacred trust by the Savings Banks; we have no right to shirk the responsibility they have reposed in us. The poor, whose money we hold, cannot organize and fight for their rights; we can, and it is our duty to protect them. Consequently, your Committee respectfully recommends to the Association that the contest be carried on until success crowns our efforts.

NEW YORK CITY'S CREDIT

The following address was given by Mr. Frank A. Vanderlip, Vice-President of the National City Bank, New York:

Such a meeting as this, of Savings Bank officials, offers a peculiarly appropriate place to discuss the credit of the City of New York. The institutions you represent hold not less than $122,000,000 of the debt obligations of this city. These bonds have been regarded as eminently safe and as a proper security for the investment of trust funds. Trustees have looked upon city bonds as a security against which no criticism could properly be raised.

New York people have had such high regard for New York City bonds that in the main the entire outstanding indebtedness is held within the city itself.

There is, then, ample reason why there should be among such a body of men as is gathered here no misconceptions about the credit of the City of New York. There should be no errors of judgment concerning the safety of the city's obligations. There should be no lack of information in regard to the essential conditions surrounding the security. There should be a clear comprehension of the purposes for which this debt is created, and of the means which have been taken to insure its redemption.

The conceptions of all of us are largely influenced by newspaper headlines. Any one whose opinions are so shaped must recently have come to the conclusion that there is something radically wrong with the financial position of New York. During the last few weeks we have repeatedly read of the legacy of $700,000,000 or more of indebtedness which Mayor McClellan is likely to leave to his successor. It has been pointed out that the debt of the city during the seven years since its consolidation has increased from $225,000,000 to more than $600,000,000. We have been adjured that municipal expenditures must cease. We have been warned that we are already close to the debt limit. It has been pointed out that the city has been piling up debt obligations at the rate of more than $1,000,000 a week for future administrations to deal with, and that soon expenditure must halt, perforce, because the constitutional limit of maximum lawful indebtedness will be reached. It is not alone in newspaper headlines, however, that basis is to be found for pessimistic views regarding the credit of New York City. The combined judgment of investors, as reflected in the market quotations for New York City bonds, has been telling a disturbing story. Some years ago the city was able to float $9,000,000 of bonds bearing two and one half per cent. interest, and sell them at par or above. Then its credit position changed. It was

forced to issue three per cent. bonds, then three and one half per cent., and recently it has found it no longer possible to put out three and one half per cent. bonds and the rate has been advanced to four per cent., a rate beyond which the charter limitations will not permit the city to borrow money. These four per cent. bonds were sold at a premium, but the market has not been buoyant, and the pessimists believe the next issue offered will probably go for a less premium than did the recent issue. This changed condition, this increasingly unfavorable basis upon which the city is forced to sell its bonds, is of course due in some measure to a changed situation in the money market itself. The rate for money, however, by no means fully accounts for the present state of the market's measure of the city's credit. There are to-day many railroad bonds selling at higher prices than the bonds of the City of New York, although the railroad bonds possess none of the extremely favorable tax exemption features which city bonds have.

Why is this? What is the reason that this imperial city, growing as is no other city in the world in numbers and in wealth, finds its obligations regarded by investors with increasing disfavor? The city has a record of absolutely unbroken pledges; no investor was ever forced to wait a day for payments due from it.

Sinking funds have been established which will provide for the redemption of every outstanding security. The continuity of the city's finances is well illustrated by the fact that some of these sinking funds date back for their authorization to the laws of 1844. Through all the changes of municipal life since that time the pledges of these sinking funds have been kept inviolate. Indeed, the chief concern about some of the sinking funds has been the problem of handling a surplus vastly greater than the early city administrators reckoned as possible, and far greater than the requirements of the fund. Much of the new indebtedness of recent years has been issued to pay for municipal undertakings which have been distinct

financial successes. A great sum has been spent for rapid transit, and the vital problem of the subway to-day is connected with the efforts to handle a traffic larger than the most enthusiastic projectors of the tunnel imagined possible.

In view of all these facts, this declining state of public credit would seem then to be more than an ordinary financial puzzle. Where shall we look for the answer? The answer is to be found in a single fact. The sole basis for an unfavorable view of the credit of the City of New York lies in the lack of a clear understanding of the true strength of New York's financial position. A careful analysis of the finances of the city and a fair appreciation of the political considerations affecting the city's credit must lead one to the conclusion that the growing disfavor which in recent days investors have shown toward city obligations is unwarranted.

The results of an exhaustive examination of that sort cannot, of course, be set forth in the limits of a brief address. We may, however, look at some of the main points against which criticism is leveled. There is a popular conception that the debt of the city has about reached $700,000,000. That figure is compared in the public mind with the total interest-bearing debt of the United States which stands at less than $900,000,000 or $11 per capita, and the comparison is fatal to a reputation for conservatism on the part of city administrators. We forget in the first place that the debt of the United States, being abnormally small, offers no fair comparison. The debt of France, for instance, is $150 per capita, yet French rentes sell on a three per cent. basis.

This great total of $700,000,000 of city indebtedness, however, will fade away in rather a surprising manner under the light of a little analysis. It is true that the actual figures of outstanding obligations are to-day about $625,000,000, and there will certainly be further issues of bonds during this year. The $700,000,000 total, therefore, would not at first glance seem to be far away.

Taking the situation at the beginning of the present year, that being the latest date for which detail figures can be had, we find the gross funded debt standing at just $600,000,000. We must at once cut off $170,000,000 from that, however, for the city holds that amount of its own bonds in its own treasury to the credit of the various sinking funds. A total of $430,000,000 of outstanding funded debt does not look so great for a city of 4,000,000 people, but that amount may still be reduced. We may now make a further reduction of $135,000,000 of bonds, for the payment of which specific revenues were pledged long before the creation of Greater New York. These revenues are to-day much larger than are necessary for the purpose, and no taxpayer will be called upon to contribute, by direct taxation, one dollar for their redemption. That brings our total down to $295,000,000, but we may make further reductions. Of that amount $46,000,000 bonds were issued to provide funds to build the subway. No one doubts that the rapid transit property is valuable enough to take care of that obligation. No one believes that there is need for these bonds to become a direct burden upon taxpayers. This brings us down to $249,000,000, but this $249,000,000 of obligations was not incurred without a great increase of the city's real property. There has been value received. There is included in that total bonds issued for dock purposes. The income from the city's docks to-day produces a net return equal to paying the interest on $50,000,000 of dock bonds and providing fully for a sinking fund for their retirement. There are then materially less than $250,000,000 of bonds, the interest and sinking fund requirements of which must be provided for by direct taxation.

That is the real debt whose burden is felt by the taxpayers. It is only one third of the sum that is featured in the newspaper headlines and is in the public mind. It ought to be regarded as a small obligation for a city of such resources and with such a population.

Let us look for a moment at the other side of the ac-

count. What is the character of the municipal corporation that has created this debt and pledged it its faith and credit for its payment? In intelligence and financial integrity surely it is a community which can challenge comparison. The increase of the city debt may have been rapid, but nowhere else on earth, at any time in history, can be found so great an increase in the value of property as has been recorded here in the last half-dozen years. Nowhere else is there a city growing so fast in numbers, and nowhere else are building activities so great or so substantial. If we regard the city's obligations as large, let us look at the income. The income of the City of New York to-day is one sixth of the income of the National Government. The revenue of New York City to-day is greater than had been the revenue of the whole National Government in any year in its history up to 1864. One sixth of the entire banking resources of the nation is centred in this city. We have here the financial centre of the country, and in any real crisis vitally concerning the financial integrity of the city's obligations, the potent weight of sound financial judgment that would be developed would be overwhelming. But it may be argued that there are socialistic tendencies in politics and graft in public life, and that New York City offers flourishing examples of both developments. If one granted all that and admitted that their manifestations may become tenfold what they are to-day, I believe there would still be absolute security behind the city's bond issues. Let the man who questions the strength of a New York City bond study the charter provisions of Greater New York. He will be surprised at the safeguards which have been irrevocably thrown about the integrity of the city's obligations. We learned our lessons from the Tweed Ring. There is about the same relative comparison between the ease with which the city could be robbed in the early seventies and the difficulties in the way of municipal dishonesty to-day that there is between the ease with which a burglar could open the ordinary

tin box of an investor and the difficulties which he would meet in trying to enter one of our modern armor-plate vaults with its series of time locks and electrical protection.

It is true, I presume, that there is a graft to-day. The expenditure of some of the money that has been raised from these issues of the city's obligations has, in some instances, been unwise, in some extravagant, in some dishonest. Granting the very worst of all that, however, we still have a situation in which the city's integrity is safeguarded by charter provisions of such character that the city's obligations are among the most secure of those issued by any body politic in the world.

There is not time here to detail these charter provisions, but I am certain if there is any one among you who is timid about the effect of future political upheavals upon New York City's financial integrity, he will be surprised, upon studying this subject, to learn how completely the city's credit has been guarded from being wrecked by any temporary waves of politics. Not a bond can be issued unless the authorities at the same time provide a tax which will pay its interest and maintain an adequate sinking fund for redemption. No subsequent administration can fail to levy sufficient taxes to meet that service. The accounts of each sinking fund are kept separate and distinct, and the rights of the holders of the various issues are strictly preserved.

Between the city and its creditors the charter has declared that there is an absolute contract that the sinking funds shall be maintained and no administration could, however radical its wishes, change the nature of that contract, nor fail to provide resources for the sinking funds.

Perhaps some of you are afraid of the socialistic tendencies of the day. Personally, I think there is much less to fear from any prospective radical political development than some timid financiers imagine. I am optimistic about integrity. Most people are honest and most parties are honest. There is no radical political condition that I can imagine that will fundamentally

affect the security of a New York City bond. A socialistic victory might sentimentally affect it, although I do not believe that any socialistic party which will be evolved in New York will really aim to do that. But taking the most pessimistic view of the political outlook, supposing that men should be elected to administer the city's affairs whose aims were calculated to destroy the city's credit, they would find that credit entrenched behind a bulwark of constitutional limitations and charter rights which would prove effective safeguards for protecting the interests of every investor in a New York City obligation.

Coming now to the ability of New York to support without undue burden the present or probable financial debt, I believe it needs but the most casual knowledge of the city to leave no doubt on that score. The growth of this city is among the certainties of the future. The United States Government Actuary tells me that I may quote his unqualified opinion that Greater New York will have, when the recent issue of four per cent. bonds mature, a population of 8,500,000, and, judging by recent records, wealth will grow far faster than the population. Is there much doubt that such a city can discharge its obligations?

I believe one of the great mistakes of city financiering has been the issue of long-term bonds during this period of depressed municipal credit. Not many years ago the city sold two and one half per cent. bonds at par. I will make a prediction. Before ten years more have passed, and in the event of the realization of certain contingencies toward which conditions seem now inevitably working, the recently issued fifty-year four per cent. bonds of the City of New York will sell at 125. The contingencies by which I limit this prediction are these: There will, I believe, be a rapidly widening market for New York's securities. Strong boxes of this city will not in the future contain all of these obligations. With a wider understanding of their strength and an appreciation of their attractive return, I see no reason why we should not

come to have an international market for them. With a broadening market will come a marked appreciation in price, but the time will eventually come when the city will cease floating new issues with the rapidity which has been recently characteristic. There will be quick market response to an escape from the pressure of new bonds, but the suspension of new issues will be followed by another influence which is certain to have a most buoyant effect on prices. If new issues should cease either as a result of reaching the constitutional debt limit or from other reasons, the demands for the sinking funds must then be met in the open market. Under these conditions, with even a part of the income of the sinking funds used in the purchase of bonds in the open market, I believe we would have a situation that would parallel the market position of British consols when those low-rate securities sold at 113 just prior to the Boer War. If these various contingencies eventuate, the figure of 125 which I have named as a market measure of the four per cent. bonds will be well within the actual facts.

Under such conditions the city ought now to be issuing short-time obligations and not burdening future generations which will more clearly understand the true strength of her credit with long-term high-rate bonds. There is, I believe, one important reason why there has been a failure to comprehend the true merit of New York City's obligations. That reason is to be found in the method of municipal bookkeeping. Improvements were made in restating the annual report under the administration of Comptroller Grout. There is to-day the gravest demand for improvements in bookkeeping methods of the Comptroller's office. Fortunately that situation is clearly seen by the present Comptroller. It is a fact that to-day there is no true balance sheet of the City of New York. Its so-called balance sheet contains meaningless credits that have been improperly carried year by year since their disgraceful birth in the corruption of the Tweed Ring. In none of the reports of the Comptroller

is it possible to obtain in succinct form an intelligent view of the city's true financial position. Here is this great metropolis, with its income well exceeding $100,000,000 annually, undertaking vast public works, issuing millions upon millions of obligations, and presenting a system of municipal accounts that have, even with the improvements already inaugurated, been brought to a point that is not much short of chaotic.

One of the greatest opportunities to do a public service existing anywhere to-day lies in the position of the Comptroller of the City of New York. The demands of that position fall but little short in real importance of those of the position of chief finance minister of the nation. In the financial world the position should be regarded as a close second in dignity and recognized responsibility to the Treasury portfolio itself. There is the opportunity for the genius of a Hamilton in reforming the accounting methods and presenting to the public a true report of the business of this city. It is a fortunate thing that the position of Comptroller carries with it a centralized power that makes it possible quickly to obtain effective results. It is fortunate, too, and some of you may be surprised at this statement, that there are among the old employees of the Comptroller's office a number of men who for ability, loyalty, and devotion to their work, and for unselfishness of motives, may well challenge comparison with the staff of any financial institution in this city. Above all, it is extremely fortunate that the position of Comptroller is to-day filled by a man who recognizes with remarkable clearness the exact situation surrounding the city's credit and who has the force and energy that gives every promise that greater improvement will be wrought.

I am, then, optimistic about New York City's credit. There is the foundation here to support with ease and certain security the structure that has been raised. There are safeguards in constitution and charter which absolutely remove the city's credit from any danger of passing political whim. The system of centralized responsibility which

the charter provides has completely removed the city's credit from the possible danger of attack by a corrupt and irresponsible ring. There have been provided sinking funds ample to insure the steady redemption of outstanding obligations. The earlier sinking funds are unscientific, but the mistakes have been on the side of supplying too much rather than too little revenue for their purposes. We need only a better understanding of the true strength of New York City's obligations. When we have that the market quotation of a New York City bond will be one of the city's worthiest monuments.

REFORM IN CURRENCY AND BANKING WITH REFERENCE TO CRISES

The following address was given by Professor Taussig, of Harvard University:

We have heard much of late of the desirability of an elastic currency as a means of preventing disturbances in the money market, and of alleviating, if not preventing, commercial crises. I propose to say something as to the relation between elastic issues and the prevention of crises, and to say something also as to the general conditions of banking by which crises can be prevented or made less acute.

The proposals now current for elastic note issues rest largely on the experiences of our last great crisis, that of 1893. Then, it will be remembered, there was an extraordinary demand for cash. That demand was so intense and so indiscriminating that people were eager to secure the very greenbacks and silver certificates whose possible depreciation under a silver standard was the prime cause of the panic. All sorts of curious devices for eking out scarcity of currency were then resorted to, and the circumstances seemed to indicate clearly the need of some means of providing an additional supply of cash in times of panic. Similar phenomena have shown themselves at

other times and in other countries than our own, very strikingly during the panic of 1873 in this country, and that of 1857 in England.

Before proceeding to consider what may be the needs and remedies in times of a general financial crisis, let me say a word as to another emergency for which an elastic currency is sometimes desired. This is the not infrequent high rate of interest for demand loans, showing itself conspicuously in the rate for call money on the Stock Exchange. So far as this sort of situation is concerned, I may confess at once to a doubt whether legislation or any sort of curative measure is called for. If the speculative fraternity alone is affected, matters may be allowed to take their course without further concern by the public. And, as a rule, I take it, it is the speculative fraternity which alone is affected. Even when call money rules high, time money and loans to the general business public are usually little disturbed. So far as Stock Exchange dealers and speculators are concerned, the pressure of high rates for loans is a useful brake. Recurrent high rates seem to be necessary, in order to prevent gambling from being carried to the extreme of unbridled speculation.

The really serious situation arises when merchants and the business community generally feel the effects of the pressure. Even in this case a rising rate of interest and a difficulty in procuring all the advances wanted are not necessarily bad signs. The business community generally, not less than the Stock Exchange, may be affected by the virus of speculation, and the demand for means to make purchases and maintain feverish activity may be checked in a healthful way by a rising charge for loans. A general high rate of interest under these conditions is, on the one hand, a result of activity in business, and, on the other hand, a useful check to its undue extension.

When, however, conditions of panic set in for the business community at large the case is different. When ready means, immediate command of cash, are wanted because there is general uneasiness on account of the

general conditions of credit; when not only brokers and speculators, but merchants and manufacturers and dealers, are anxious as to the future; when there is danger of collapse and indiscriminate ruin; then the situation calls for a remedy. What remedy shall be applied? And what is to be said as to an elastic currency?

Here I would distinguish between two kinds of demand which appear in time of crises: on the one hand, a demand for cash, and, on the other hand, a demand for accommodation. These are not the same. They rest on different causes and call for different remedies. I may say at once, by way of indicating my general conclusions, that the demand for accommodation seems to be the more important, and that, given the means for meeting this, measures for elasticity in the currency can be really dispensed with.

Consider for a moment what is the nature of the demand for cash in times of crisis. It is strictly an abnormal and artificial demand. It rests upon no need of money for actual use. There are no more payments to be made than usual. The cash which individuals call for under those circumstances is in reality a nuisance to them, not convenience. It must be locked away and stored and looked after. The call for it is simply the result of a general shock of confidence, and especially of a loss of confidence in banking institutions. If every one were assured that he could get his cash from the bank whenever he wanted it, he would much prefer to leave it on deposit rather than to withdraw it. The universal experience is that when once the acute stage of a crisis is over, the cash which has been so insistently called for reappears in the usual depositories and shortly becomes as redundant as before it was scarce.

If indeed this stage of collapse of confidence has once been reached, it is possible that some device for an emergency money issue may be helpful. Virtually, this is what the Bank of England does when the bank act is suspended. The suspension of the act puts at the disposal of the bank an unlimited amount of virtually legal tender cash. Even

then it is not the actual issue of such cash, but the certainty that it can be had when wanted which allays the feelings of panic. I am by no means sure that any legislative device which we could adopt in the United States would have the same effect. The proposals commonly put forth look to a comparatively small extension of the bank-note circulation, which is already small. If there arises a general alarm among the depositors and customers of banks, I am by no means sure that a privilege of additional note issue will prove an effective remedy.

But in any case such a remedy can be only in the nature of a palliative. It may in some degree counteract the results of alarm in panic. But it cannot act as a preventive. Indeed, the regular and repeated exercise of a power of additional issue, during the cycle of activity and speculation which precedes the commercial panic, will foment rather than allay the causes of disturbances. Other means of prevention must be looked to, and these means of prevention can be found by satisfying that demand for accommodation to which I referred, and of which something more may now be said. The demand for accommodation seems to me to indicate the real and fundamental need. It is the desire to be taken care of; to have assurances for the present and for the immediate future. In all times of uncertainty, most of all in times of acute crises, merchants and business men need to be safeguarded against accidental or unjustified insolvency. Their debts are recurrently coming due, their credits, on the other hand—the debts due to them—are more or less uncertain. A concern whose affairs are in good condition may be unable to meet its immediate liabilities simply because its quick assets are for the moment not available. If there be certainty that the banks are willing and able to make advances to firms in this situation, their real demands are met. Such certainty is the one effective agency in preventing universal panic. It cannot be too much insisted on that it is the accommodation, not cash, which is then wanted from the banks.

Now accommodation can be granted by the banks only if they are secure in their own position. They must not themselves be involved in risky enterprises. Least of all should they be heavily committed toward any one venture of an uncertain character. They must have confidence in themselves, and they must have the confidence of the business community. They must be in a position in which they do not need to look out for themselves, and in which they are able to look out for their customers. And they must not only be able thus to serve their customers, but they must have earned the respect and confidence of the business community in such degree that every one believes them able to do so.

This general feeling of confidence can rest only upon continued careful and conservative management in the past. It cannot be secured if banks are known to be involved in large new ventures, if they are closely related with financial and investment concerns which are promoting risky enterprises, or if individuals who are dominant in their management are known to have other and more pressing interests than those of the bank proper. Ideally, the commercial bank is in a judicial position, standing aloof from other business than that of banking proper. It lends only on sound security, or to individuals whose affairs are satisfactorily known in their full extent. It distributes its loans over a large part of the business community. Never puts too many eggs in one basket, and marshals its advances so that they shall become due in proper succession. It keeps a strong reserve of cash. It is free at any time to make additional loans, and is able to respond to all reasonable requests for accommodation from sound borrowers. Such is the kind of management contemplated in our national banking system, and provided for by the details of its legislation.

Now in this regard the banking situation in the United States seems to have changed, and changed for the worse in the last ten or twenty years. The old ideal of a strictly commercial bank, having its semi-judicial policy and

consequent prestige, seems to be passing away. The tendency is for a combination of various kinds of banking operations in one hand or in one set of hands.

National banks and State banks doing a similar business are closely associated with investment houses, with the large private banking firms that undertake to promote and finance great ventures in new business fields, with trust companies that carry on a very wide range of financial operations, and with individuals whose primary interest is not in banking but in independent enterprises of their own. The great development of the trust companies in the last two decades seems to be the most important cause of this change in the general situation. On the one hand, they are competitors of the banks in a business which was formerly that of banks alone; on the other hand, the example which they have set of earning large profits by a combination of various financial operations has tempted the banks to follow in the same path.

Not so very long ago something like a division of labor was traditional as to the various sorts of banking operations. Thus there were commercial banks proper, of which our national banks are one type, and the joint stock banks of Great Britain are another; there was the financing and investment concerns, which promoted new enterprises, floated their securities, and had their assets committed to great manufacturing or mining or trading ventures; there were the private banks and trust companies, which acted as agents for persons of means, and did a semi-legal trust business; there were the foreign exchange houses and those who made commercial advances in connection with foreign trade; finally there were the pure Savings Banks, not doing anything except to invest the accumulations of a multitude of persons of small means.

There has been a growing tendency during the generation just past to combine all, or almost all of these operations in one great banking institution, similar to the tendency which has shown itself toward the combination in one great concern of various kinds of manufacturing or

mercantile activity. It has shown itself as markedly on the continent of Europe as in the United States. More particularly the great German banks show a striking combination of diverse operations conducted on a very large scale by a few powerful banks. In the United States the large trust companies of the seaboard and the centre of the country illustrate the same sort of development.

Such widespread operations bring the chance of great gains. They mean economy in the direct expenses of management. They enable one part of the concern's operations to interlock with the other parts, and make it possible, and apparently easy, to earn two or three profits instead of one. But they mean also greater risks and greater commitments. There is a chance of making more money, but there is also a certainty of a greater locking up of capital. There is less easy command of free resources, greater danger of embarrassment if the unexpected happens. The process tends to mean less cash on hand, less reserve, less ability to meet sudden demands. Even when it is not directly engaged in a wide range of operations, it is often so closely associated with the trust company or banking firm undertaking them that to all intents and purposes its resources are locked up in the same way.

These tendencies seem to me to bring peculiar dangers in the United States. In Europe its dangers are in large degrees counteracted by the position of the great state banks, such as the Bank of England, the Bank of France, and the Imperial Bank of Germany. These have precisely the judicial position, the aloofness from current business operations, which I have described as the ideal for a commercial bank. They stand above the general banking and commercial community. They have unlimited prestige; they cannot fail unless the whole political and business structure collapses. They can always be counted upon to stand in the breach if general ruin threatens. And not only this, but they have a conscious duty toward the public. They may not extend their operations to the point of maximum profit. Whether

by force of established tradition, as in the case of the Bank of England, or by direct public control of the management, as in the continental countries, they restrain their operations in such a manner as to keep themselves in a position of absolute safety and power. Such a firm basis for the financial structure we lack in the United States. The Associated Banks of New York in some respects occupy an analogous position, yet obviously with much less sense of responsibility and with much less probability of conservative management by the individual institutions.

I do not look forward with anxiety so much to the consolidation of banking institutions, or to the increase in the size and scope of individual banks, as I do to the combination of various sorts of operations in one concern, and the close affiliation of banks with particular enterprises or particular financing and promoting concerns. It is this tendency to varied operations on a great scale which threatens the stability of the banking community and its possibility of helpfulness to the business community in times of panic. Great capital and large resources in a bank increase its power to grant accommodations and its ability to support and encourage business concerns in time of crisis. But the combination of a wide range of operations, many of them involving serious risks, means that the bank itself may need accommodation. It may have to ask for forbearance, instead of freely offering aid.

The measures for reform which I should advocate are, therefore, primarily measures which look to accommodation; to prudent management and free resources, rather than to increasing the supply of cash in times of crisis. The means toward this end are partly legislation, but perhaps in even a greater degree improvements in the traditions and customs of the banking community.

1. So far as legislation is concerned, more stringent regulation of the business of trust companies and other banking institutions under State charters is called for. The State banks and trust companies should be called on to

keep larger cash reserves, should make more frequent and explicit reports of their condition, and should be subjected to more careful and rigid examination. Especially in the State of New York, and with reference to the conditions of the metropolis, there is need of more stringent legislation in regard to the State banks and trust companies. So long as they are allowed to carry on their operations with the very smallest supplies of cash it is possible to get on with, and to keep almost the whole of their reserves in the coffers of the national banks, the virtual liabilities of the banks are vastly inflated, and at the same time the combination of trust companies and banks into one chain of united interests is almost inevitable.

2. The national banks themselves should be given greater opportunities for profit. Any peculiar profit to them can arise only out of note issue. In other respects they have no advantage over State concerns, and are at a disadvantage from the heavier requirements of the National Banking Act. It has been abundantly proved in the discussions of recent years that a more liberal scheme of note issues can be arranged, especially for banks of sufficiently large capital, with abundant security for the notes, and yet with sufficient profit to make a national charter of substantial advantage.

3. It may be Utopian to expect a sense of duty to be maintained or strengthened in the face of opportunities for great profit. Yet I hope that more vivid realization of the public importance of their operations may affect the policy of those in charge of our great banking institutions. Can we not nurture something like a sense of professional ethics among the bankers, analogous to that which the physicians and the lawyers maintain for their professions? May it not be understood that a bank's operations have an important part in promoting the sober conduct of industry and discouraging rash enterprises? And may it not be recognized that it is part of the banker's duty to keep his affairs in such condition that he can grant accommodation and support in times of peril?

4. The development of such a spirit among the banks depends in no small degree upon whether the community appreciates it. There will always be differences in spirit and temper among the banking institutions. Some will be conservative, some will be rash. Some will be known to keep their affairs within the limits of safety; some will be known to launch boldly on dangerous operations. The more the business community keeps its accounts with strong and prudent concerns, and the more it resists the blandishments and the seductive offers of the more speculativeinstitutions, the sounder will be the general situation. Such institutions as Savings Banks seem to me have a peculiar duty to do what is in their power to encourage careful and farsighted banking.

5. I have referred to the dangers which arise from the combination in one institution of a great variety of operations. It is not an easy matter to check this tendency directly by legislation; for restrictions are not easy to frame, and still less easy to enforce after being framed. In one direction, however, a separation of the different sorts of operations can be brought about with comparative ease, and can be enforced by legislation. This is with regard to savings deposits. The addition of a savings department to the operations of a bank or trust company which carries on a great variety of financial operations brings some peculiar dangers. On the one hand, a great mass of funds is offered for permanent investment, and the temptation is strong to place them in enterprises connected with the other operations of the bank. They are thus locked up in new and more or less uncertain ventures, and are made the means of promoting enterprises involving much greater risk than the small investor means to take, or ought to take. On the other hand, depositors of this class are specially liable to panic, and may bring uncontrollable pressure in periods of stress. The privilege of delay in paying them under such circumstances, though it may serve to bolster up the individual institution, yet it tends to intensify a general collapse of confidence; since it

is supposed, rightly or wrongly, to be an indication of weakness to use the option of delay. The laws of some of our Eastern States, notably Massachusetts and New York, provide for the conduct of Savings Banks as virtually co-operative establishments, divorced completely from other banking operations. Some of the great states of the Central region which have not yet adopted this wise policy are thereby encouraging methods of banking and investment which bring undue hazards for the savings depositors and may bring disastrous consequences in times of panic.

I need hardly say that in these brief remarks I have considered only a few restricted phases of banking practice and currency reform. So far as elasticity in the currency is concerned, I have said nothing on that phase of the problem which relates to the needs of the agricultural districts, or to the peculiar effects which ensue under our present system from the price and yields of U. S. bonds. The strongest ground on which an elastic currency, responsive to the varying conditions of business, can be urged, rests on the seasonal demands of the agricultural regions. But this large and interesting topic lies outside my present subject. I have had in mind one phase only of the demand for elasticity, that which looks to the prevention or mitigation of crises.

To sum up what I have said, my belief is that we cannot look with much hope to any legislation toward elastic money issues as a panacea against panics. At best, freedom of note issue during a panic is only a palliative and a palliative of uncertain effect. There is no certain panacea. Ups and downs of industry are inseparable from the modern industrial system, and periods of active prosperity seem certain to be followed by periods of crisis and depression. The chief means by which banks can mitigate the effects of these fluctuations is by prudent and careful management, by the maintenance of a strong and unhampered position for themselves, by the fostering of right traditions as to the functions and duties of bankers, and by a policy of liberal support and free accommodation in times of incipient panic.

CHAPTER XIV

Fourteenth Annual Convention—Sorrow over the Death of Former President John Harsen Rhoades—Memorial of Respect to His Memory—Paper on Bond Investments of Savings Banks by Mr. Mills—Address on "Mortgages" by Charles L. Stone, of Syracuse—Address of Supt. Charles A. Keep, of the Banking Department—"Amortization," Explained by Mr. Sprague—Bank Advertising and Its Proper Uses.

THE Association convened in its accustomed place in the City of New York, on May 17, 1907, under circumstances of peculiar sadness, having lost in the interim since the last convention its most highly esteemed former President, and the real founder of the Association—John Harsen Rhoades.

ADDRESS OF PRESIDENT VAN RENSSELAER

In his opening address, President Van Rensselaer feelingly referred to the death of Mr. Rhoades as follows:

Another year has passed since I had the honor of welcoming you here in this beautiful room. As we take our places to-day there must be a general recognition of the absence of the founder of this Association, Mr. John Harsen Rhoades, and I know you all feel a sense of sorrow at the thought that he will be with us no more. We owe him a debt of gratitude for bringing us together for mutual protection and for the advancement of all interests that are beneficial to Savings Banks and to their depositors.

This Savings Banks Association has taken a prominent position among the eleemosynary institutions of this State

and it has proved itself of great benefit to its individual members.

It gives me the greatest satisfaction in coming to this meeting to-day to be able to feel that the last year has been one of quiet but nevertheless continued prosperity and advancement of our mutual interests. "Happy is the country without a history" may truly for us be paraphrased and let us say: "Happy is the year that is free from controversy, panic, or financial calamity." To go a little into detail during the year 1906 the open accounts on the books of the 135 Savings Banks of this State were 2,685,809, showing an increase of 116,030 accounts.

The depreciation in the market value of all first-class and conservative investments has been considerable, but as Savings Banks generally expect to hold their investments until maturity, the fluctuation in the market is of small concern. As a matter of fact, this very depreciation enables us now to invest at prices that produce so much more income, that more than half of the banks in this Association on the first of January paid their depositors interest at the rate of four per cent., and probably several more will be able to increase their rate to four per cent. on the next interest day should their trustees consider it a wise policy to do so.

This demonstrates the importance of keeping our eyes fixed on the amortized value of our securities and not to be worried about their market value.

The question has again been raised in regard to computing the twenty-five per centum of the assets of the bank which may be loaned or invested in railroad bonds. Mr. Kilburn, the former Superintendent of Banks, ruled that the twenty-five per centum must be computed on the basis of the cost of the bonds at the time of purchase; but the present Superintendent, Mr. Keep, has reversed that ruling, and in a letter to me he says: "I think it tolerably clear that either market value should be the basis of computations under the last paragraph of Section 116 or, at any rate, that the principle of amortization should be taken

into account, and the original investment of the bank in the bonds of a particular company should be considered as reduced year by year by the amount necessary to absorb the premium paid during the life of the bond. The matter is one that might well have the consideration of the Savings Banks Association with a view to reaching a definite understanding."

The Executive Committee has not had a meeting at which I could submit this letter, but I hope that the new Committee to be elected to-day will take up this question and will prepare an amendment to the present law to be submitted to the Superintendent, and, with his approval, to be introduced in the Legislature next year to definitely settle this matter.

It was thought best that at this meeting the topics of discussion be confined to Savings Bank interests by Savings Bank men, except the Superintendent of Banks, Hon. Charles Harlan Keep, who has consented to be with us and to say a few words. As these topics, I am sure, will be of interest to you, and as the time is short, I shall close my remarks to give longer time for speaking to the very able orators who have kindly consented to discuss these subjects.

RESOLUTIONS ON THE DEATH OF MR. RHOADES

A Committee, consisting of Messrs. Mills and Felsinger, which had been appointed to prepare a minute in reference to the death of Mr. Rhoades, reported as follows:

To the members of the Savings Banks Association of the State of New York:

Gentlemen: It is with deep sorrow that the Executive Committee of the Savings Banks Association is called upon to record the death of John Harsen Rhoades, one of its most prominent members, which occurred in this city, December 6, 1906.

Mr. Rhoades had been a trustee of the Greenwich Savings Bank for more than forty years, and its President

for twenty-nine years. He was a public-spirited man, and gave much time and thought to all efforts on behalf of better conditions in municipal affairs, but his paramount interest was the safeguarding the interests of the Savings Banks of this State.

For several years previous to the forming of the Savings Banks Association it had been the custom for the Savings Banks of the State to meet once a year to discuss informally such matters of interest as might be brought before the convention. It soon became evident that a closer and more formal organization would be much more effective in safeguarding the interests of the banks, and in May, 1894, it was decided to form the present Association with Mr. Rhoades as its President. He was reëlected to the office for five successive terms, and, much to the regret of the members of the Association, refused to serve longer.

Much was accomplished by the Association during Mr. Rhoades' presidency, and too much credit cannot be given him for his part in bringing about the much-desired results. He was unfailing in his loyalty to the Association, and untiring in his efforts in its behalf.

As the Savings Banks increased in resources, it became evident that the scope of investment as provided in the law of 1875 must be enlarged to meet the new conditions. For years efforts had been made to bring this about, but without success, until the bank officers were ready to abandon the idea in despair. Mr. Rhoades never faltered, and each failure only served to spur him to renewed effort, until finally the bill admitting the bonds of certain cities in other States than New York was passed, and a measure of relief to the banks afforded.

Many other amendments to the Savings Bank Law were secured by the Association during Mr. Rhoades' active connection with it, due in no small measure to his personal effort.

Mr. Rhoades was a broad-minded man, of excellent judgment, strong in the defence of what he deemed right, and fearless in his denunciation of wrong. The Savings

Banks Association is indebted to Mr. Rhoades for much, and places upon its records this minute in grateful recognition of his service and in loving remembrance of the man.

ANDREW MILLS,
WM. FELSINGER.

BOND INVESTMENTS OF SAVINGS BANKS

Mr. Andrew Mills, President of the Dry Dock Savings Bank, New York, read a paper on the above subject as follows:

At the urgent request of the Committee in charge of this meeting, and in an unguarded moment, I consented to prepare a paper on "Bond Investments of Savings Banks." It is not my purpose, in presenting this subject, to lay down any hard-and-fast rules to govern the actions of others, but as simply as possible to give some of the general principles which I have endeavored to follow in recommending investments to the trustees of the institution over which I have been called upon to preside. I doubt if I can say anything new, but if I can emphasize the necessity, especially in times like the present, of "hewing" close to the old conservative lines which have made our Savings Banks so useful and strong, my poor attempt will not have been made in vain.

As shown by the Bank Superintendent's report for 1906, out of the total assets of over $1,464,000,000, $644, 279,426 represent investments in bonds, as follows:

United States and District of Columbia	$10,488,180.00
State Bonds	51,183,340.65
Bonds of cities in other States	116,379,249.15
Bonds of municipalities in this State	236,469,859.15
Railroad Bonds	229,758,798.00
	$644,279,426.95

For the purposes of this paper bond investments can be divided into two classes: the first comprised of State and

municipal bonds, the second railroad bonds. United States bonds are omitted, as their interest return is so small that any investment in them would be a distinctly losing proposition.

The principles governing investment in municipal bonds are few and simple. An investment in a municipal bond is a loan upon the credit of a city, town, or village without definite collateral security; and it goes without saying that almost the first thing to be established is whether or no the municipality has always met its obligations promptly; next, the total indebtedness the percentage the debt bears to the assessed value of taxable property, and the value of the property actually owned by the municipality; and last, but not least, the availability of the security as a quick asset in case of necessity.

Preference has been given, and rightly, in many cases to bonds issued for water supply purposes, for the reason that a special tax is levied for the purpose of producing an income sufficient to pay the interest on the obligation and retire the principal at maturity, thus making the holder of water bonds practically a preferred creditor. It is always advisable, and in case of the smaller municipalities a necessity, to have carefully examined all proceedings authorizing the issue of bonds, to see that they meet with all the requirements of the law under which they are issued. The importance of this is shown by the fact that at almost every session of our Legislature one or more bills are introduced making valid some obligation of a municipality in the issues of which a mistake was made.

Investment to a certain extent in bonds of cities outside of this State is desirable, not only because of a slightly increased income yield, but that in case of the necessity of realizing you have a security marketable in money centres outside of New York.

When the Savings Bank Law was amended so as to admit railroad bonds under certain restrictions as legal investments, the banks had questions of an entirely different character to deal with. Some contented themselves

with simply asking: "Is this bond a legal investment?" and then: "What interest return does it yield?" giving the preference to the best-paying investment. While I believe that all bonds admitted under our very carefully prepared general law are good, still of necessity some must be more desirable than others, and in my opinion none is too good for a Savings Bank.

A railroad mortgage bond is an obligation of a corporation secured by a lien upon certain specified property as collateral. The deed of trust or mortgage is made to a trustee, who, in the event of the corporation failing to meet its obligations to the bondholders, is charged with the duty of foreclosing the lien, selling the property, and paying the bonds. In this class of investments the credit of the corporation, while important, is secondary to the value of the collateral, which is paramount.

Railroad bonds for my purpose can be subdivided into two classes, viz.: first mortgage bonds pure and simple, and first mortgage refunding bonds. In explaining these different classes of bonds, when railroads or systems are named, it is for illustration only.

The older railroad systems are for the most part a grouping together under one management and control of a number of smaller roads formerly operated as separate corporations. Notable examples of this are the Chicago & Northwestern and the Chicago, Milwaukee & St. Paul.

In financing the building of the original roads first mortgage bonds were issued, and these have been assumed or guaranteed by the new corporation. After these consolidations in almost every instance the roads were practically rebuilt. Heavier rails were laid, steel bridges replaced wooden ones, while others were strengthened, to carry heavier trains. All of this vast expenditure greatly increased the value of the collateral without increasing the amount of the first mortgage. For some time after the formation of these systems, whenever a new division or extension was built, bonds were issued secured by a mortgage on the newly constructed road; and as many of these

have not as yet matured, we have a large amount of underlying securities which are regarded, in the parlance of Wall Street, as "gilt-edged." The only objection to them is that they are rapidly maturing, and before many years will become "things of the past."

To provide for the retirement of these maturing obligations, the railroads for the most part adopted the policy of issuing refunding bonds, secured by a mortgage on the entire property, which were intended to replace the old bonds as they became due and eventually become, in fact, a first mortgage on the whole road.

Some roads have practically completed their refunding operations and retired all underlying bonds, as, for example, New York Central, Lake Shore, Chicago, Burlington & Quincy (Illinois Division), and others. In all such cases the refunding mortgage is "closed," the indebtedness fixed, and no more bonds can be issued under it.

Information on which to base judgment in case of a municipal bond is for the most part easily obtained, as all the data required are matters of record; in fact, nowadays the bond dealer offering bonds for sale furnishes the information unasked.

The value of the railroad bond is primarily determined by the earnings of the corporation, and these can be learned from the reports to stockholders and to the Interstate Commerce Commission. With the railroad manuals, financial publications, railroad maps, digest of mortgages so numerous, it would seem that the desired information is within the reach of all.

Many of the railroad bonds legal for Savings Banks have the advantage of an international market, so that in case of a necessity to sell at a time of money stringency in New York and easier conditions prevailing in London, Berlin, or Amsterdam, they could be easily disposed of without sacrifice. All that I have said may not be of much value, but before closing I wish to emphasize what I consider the cardinal principles that should govern the investing of Savings Bank deposits:

1. Security, as absolute as human judgment can determine.

2. The first being assured, then the security yielding the larger income.

3. Availability, so that in case of necessity the security can be disposed of without needless sacrifice.

Mr. Miller, of Utica: I am very glad that Mr. Mills emphasized the necessity of looking at something in bond investments besides the mere question of legality and the question of interest return, and it is to further emphasize the necessity of our looking in every instance, especially in regard to railroad bond investments, into the genuineness of the character of the security itself, that I want to speak now, and, particularly, for this reason, that there is a danger growing out of our general law for Savings Banks respecting railroad mortgage bonds that I think should be pointed out and fully realized. It is not a danger to the security, it is not a danger to the banks in the sense that loss can grow out of it, and yet it seems to me it must be guarded against.

You will remember that, under the present law, railroad mortgage bonds become legal when the road has complied with certain conditions for the period of five years. Now we have had five very good years and the consequence is that many roads have begun to comply with the conditions which we have provided. Should their prosperity continue for the next five years as it has in the past five years, there would be substantially $140,000,000 of new securities legalized automatically under our act.

One bad year will undo the work of five good years. If a corporation has complied for five years with all the requirements of the law and its bonds have just become legal, by one bad year breaking its record those bonds will become illegalized. What I want to urge in the first place is this: We, all of us, should be careful not to buy the very latest bond that has just become legal by having barely complied for five years with the requirements of the law, because we have had no bad year in which to test the

character of the road. I mention these simply because they are late comers. The Atchison road will, by the first of July, have complied for five years with every requirement. Next year by a falling off in its earnings, or by failing to earn and pay its dividend, it may cease to comply with the requirements of the law and its bonds will then become illegal. They won't become bad. We won't have to sell them. Still most of us would feel ashamed in having an illegal investment on our list and we might therefore sell them at a loss. But the point to be borne in mind is that it is not good policy to buy the very latest bond or one that has just become legal.

There is one other thing worthy of mention. You will remember, in framing the law, we regarded two things essential: first, the credit of the road, which we provided for by saying that it must never have failed to pay its interest, and that its gross earnings must be five times its fixed charges, and the road must for a period of five years have maintained the very highest personal credit. We have provided also that the mortgages securing the bonds must be of a very high class. I will not go into details, but there are many other things we provided for. The road must own five hundred miles at least in fee and the mortgage must cover two thirds of that, so that any mortgage bond that we would be allowed to buy must cover a very large amount of the mileage with a single exception. It was found in drawing our act that a few roads whose bonds were legal under the old law had a very good bond issue but a very small mileage. Those roads were the Delaware & Hudson, the Delaware, Lackawanna & Western, the New Haven, the Michigan Central, the Pittsburgh, Fort Wayne & Chicago, and the New Jersey Central. All of them were legal at that time and all have been continued as legal under the provisions of our act which state that the five-hundred-mile requirement may be dispensed with if the road has a total earning of $10,000,000 a year; not a single new road has been legalized up to this time under that provision. But as one looking ahead I can

conceive of a possibility of something different. For example, the Southern Pacific is a Kentucky corporation and owns in fee just seven miles of railroad. It has enormous earnings, much over the $10,000,000 requirement, but in a number of other respects it does not approach complying with our statute. It is possible that at the end of five years the Southern Pacific may have complied with all of our requirements. In that case a mortgage secured upon that seven miles of road and further secured by all the leaseholds of the Southern Pacific might become a legal investment, and it may perhaps be a good one at that time, I cannot say. It seems to me, however, that a security of that kind would be very weak, and on that account we ought all of us to look over carefully any bond propositions and be very sure that any new bonds which become legalized from now on cover at least mileage sufficient to make them amply safe.

I have sometimes thought that it might be wise if the Association should charge itself with the responsibility of advising us bankers if it saw danger in a bond or one of which it could not approve. So far as I know, I do not think a single bond has become legal which we would want to dispose of. The fact that our scope has so widened emphasizes the absolute necessity of making a careful study of the intrinsic merits of each proposition as it presents itself, and it is for that that I am speaking, and it is that policy that I am urging.

"MORTGAGES"

The following address was given by Mr. Chas. L. Stone, of the Onondaga County Savings Bank, of Syracuse:

I appreciate the honor of the opportunity to address this Association, afforded by the courteous, though unmerited, designation of your Executive Committee. I am also impressed with becoming modesty, in attempting to say a word of interest upon a subject which has presumably

already received much and intelligent consideration by you.

You, gentlemen, are the heads and managers of a group of institutions not merely representing a vast accumulated aggregate of money and investments, but a group of institutions which have been so closely identified with the stability of our institutions and with the growth of our State that they have long engaged my profound interest and respect. For this reason, and because for twenty-five years my work has been somewhat closely associated with one of these institutions, and I have thus been led to take note from time to time of the development of the principle embodied in all of them, I have the more readily availed myself of the opportunity to engage your attention for a few moments in the consideration of the assigned topic.

With more time and opportunity for the consideration and presentation of its larger aspects and relations, the subject would be one of very great interest.

The derivation of the word indicates a relation to death. In the early days of English law a real-estate mortgage was widely considered to be the "hand of death" laid upon the ownership of the property involved. Sir William Blackstone defined it as the "dead pledge." Its early legal effect was to absolutely transfer the title of the land to the mortgagee, subject only to the strict performance of his covenant by the mortgagor. In default of such performance, no matter what relation existed between the value of the loan and the value of the property, the land and property were thereafter "dead" to the former owner, and the title of the mortgagee by virtue of the mortgage itself became absolute.

The strict doctrine of the Common Law has been modified under the more benign administration of Courts of Equity, by the development of the doctrine that the real purpose of the original transaction should be made effectual, by treating the mortgage as a security for the performance of the obligation. So that now it is generally true that while the form of instrument remains much the

same, the lender of the money must be content with its payment after default, and until the right of making such payment shall be "foreclosed" by a public sale of the property. And any surplus of its value thus realized beyond the just demands of the mortgagee will be returned to the mortgagor. And so it has come about in the evolution of the times that the mortgage has increasingly become an important factor in the enlargement of the business of the world and the development of modern civilization. From a "dead pledge" it has become a vital force. By its aid railroads have been built, numberless homes and great areas of business blocks have sprung up, assessment rolls have been swollen, and the revenues of States and municipalities available for public purposes have increased in geometric ratio.

In this State the Savings Banks have borne no small part in thus aiding the wonderful evolution and increase in the values of real estate. It is a matter of common observation that a large fraction of the money expended in the erection of buildings for all purposes, public and private, business and residential, was originally derived by loan upon mortgage security. As men and institutions have prospered, these loans have been paid and the money has gone out again and again for the same purpose, so that the same funds with the increase furnished by the ever-increasing deposits have for generations gone out into the enhancement of the values of real estate and have contributed to the success of the business conducted thereon. The statistics to show the extent of such contributions by the Savings Banks of the State, I suppose, are not available. The amount of such loans just now outstanding afford but a meagre indication of what has been done. This may be said, however, in that connection. The total assessed valuation of real estate in the State of New York for the year 1905 was $7,312,621,452, of which about $350,000,000 represented special franchise assessments. The outstanding loans of the Savings Banks of the State upon real-estate mortgages at the close of that year was $639,742,227,

or approximately ten per cent. of the aggregate assessed value of all the lands and buildings in the State. January 1st of this year the total mortgage loans of the Savings Banks amounted to $688,066,201.

Another avenue through which the investment of the funds of Savings Banks has operated with great emphasis to the public advantage has been their holdings of municipal securities. A large portion of the money for public improvements represented by the bonds of the cities of the State has come at a low rate of interest from these institutions. I refer to this fact incidentally in connection with the observations upon the subject of mortgage loans, in order to emphasize a suggestion that there are ample reasons other than those relating to the character of the deposits in Savings Banks and of their philanthropic purpose, arising out of direct financial public benefits conferred, why the generous and even partial consideration, which until within the last decade or so had uniformly characterized the policy of the State toward these institutions, should be renewed, continued, and emphasized.

Coming now to a brief consideration of the quality of real-estate mortgages as an investment of Savings Bank funds: I am of opinion that upon the whole, in the long run, and within the limitations of the statute as to the amount of such investments and as to the percentage of value which may be loaned upon real estate, that this is the most desirable form of investment available. The disparity between the income to be had from this form of investment and from investment in municipal and railroad bonds is not so great as it was a few years since. Even so, at least with the qualifications stated, I believe that the Savings Banks should seek mortgage investments. The law limits these to sixty-five percentum of the whole amount of deposits and each loan to sixty percentum of the real estate taken as security. Upon a reasonable application of the rule concerning valuation, and with reasonable supervision and occasional revaluation, such loans may be considered as safe as any municipal or railroad security.

Stability of value should be a paramount consideration in the investment of trust funds. The element of speculation is not permissible. The funds to be invested are the accumulated small surpluses of many wage-earners laid up against "a rainy day." The prime consideration is the sure return of the principal sum. The income to be derived, while important, is secondary. The actual tangible property which stands as security is at all times within easy observation, and its value can be satisfactorily and readily determined upon the knowledge of the trustees who make the investment. The slight percentage of loss sustained from investments of this character may be approximately estimated by an examination of the reports of the Savings Banks for a series of years. The item of "other real estate" shows with a reasonable degree of approximation the amount of default upon such obligations, and some fraction of that item would represent the actual loss upon such investments.

The published report of the Superintendent of Banks for the first of January, 1906, indicates a total of nearly six hundred and forty millions of dollars thus invested, while the estimated market value of "other real estate" on hand is under three and one half million dollars, or a little more than one half of one per cent. upon the present investment. While the cost of such property may exceed its "estimated market value," I apprehend that such excess would be a rather small percentage of the one half of one per cent. mentioned. I believe it may be fairly said that upon the aggregate of such investments the percentage of loss entailed in a series of years is an almost negligible quantity.

In April, 1898, the first law was enacted permitting Savings Banks of this State to invest in railroad bonds. By that Act such investments were limited, among other things, to the first mortgage bonds of railroad corporations of this State, the principal part of whose railroad is located within the State. Within the remaining nine months of that year nearly nine millions of dollars was invested in such securities, and such investments rapidly grew in favor.

The report of the first of January last will show nearly

two hundred and thirty million dollars thus invested by the Savings Banks of the State. Taking the bonds of the New York Central Railroad, which were thus open to such investment, as an example, it will appear that within the period of eight years there has been an extreme fluctuation in the market value of twenty and one half per cent. from one hundred and twelve and one half in the year 1899 to ninety-two in the year 1906. Within the year 1903 there was a fluctuation of ten per cent., and the variation in price has been less than two and one half per cent. in only two of the years since they became available. These bonds bear three and one half per cent. interest, and until the year 1906 were purchasable only above par. In other words, the investments therein generally paid less than the dividends paid upon the deposits so invested.

Some relief was needed for the congestion of money when the legislation had its inception. I think the plan pursued of permitting such investments by degrees from time to time and in specified bonds only was unfortunate. Had a general scheme of authority been originally adopted, similar in character to that of the bill enacted a few years ago in the framing and preparation of which the present Chairman of your Executive Committee bore so important a part, the stream of money seeking such investment being spread over a wide area, the price level of the bonds would not have risen so high and some of the evils which have resulted would have been avoided. Similar fluctuations in value have attended investments in municipal bonds. I do not refer to these well-known facts for the purpose of condemning the policy of the State in permitting such investments of either class, but rather by contrasting these market values with the stability of the mortgage investments to illustrate what I deem to be the superior quality of the latter over the former as Savings Bank investments.

Without trespassing too much upon your time, I think that the argument may be further enforced by some comparison of the condition of the banks now and at a time just before investment in railroad bonds was permitted.

Notwithstanding the lack of a fixed standard by which the value of securities of the same class shall be stated in their reports by all Savings Banks alike, I know of no surer index of the security and stability of a savings institution than the percentage of its market value surplus upon the amount of its deposits.

In 1897 the average percentage of such surplus of all the Savings Banks in the State was over thirteen and one third per cent. On the first of January, 1907, computed in the same way, such average surplus was but a trifle more than seven and one half per cent. In 1897 but five were below seven and one half per cent. In 1907 twenty-nine were below that figure. In 1897 eleven reported between seven and one half and ten per cent. In 1907 nine made such reports. In 1897 sixteen reported from ten to fifteen per cent. In 1907 seven made such report. In 1897 thirteen reported a surplus over fifteen per cent., while in 1907 but one made a similar report.

If to the surplus of 1907 we should add the difference between the highest and lowest prices for New York Central bonds, computed upon the amount of railroad bonds held, the market value surplus would be increased to over eleven per cent. In 1897 the Savings Banks held over one hundred million dollars of U. S. bonds, nearly one eighth of the then total Government indebtedness. Last year this item had fallen to something less than ten and one half million dollars.

While thus urging the wisdom of increased investments in real-estate mortgages, I am not unmindful that those of the class desired are not, and are not likely to be, so easily obtainable at favorable interest rates as formerly. Under the mode of taxation here prevailing until a few years ago the Savings Banks had a material advantage over other investors seeking mortgage loans, because of the Savings Bank exemption from taxation. Under the mode just now prevailing that advantage has been removed. The recording tax relieves all mortgages alike from subsequent taxation. While I believe there are

advantages to borrowers in making such loans of the Savings Banks, it is not to be overlooked that this change in the law will probably bring, and I think has already brought, important sums of money into the market for which such investments were formerly hardly available. The effect of such increase of funds open to mortgage investment upon the rates of interest to be made therefrom is to be determined later, but requires consideration.

I am aware that the topic assigned to me has by no means had an exhaustive consideration. I only hope that such consideration as it has received has not exhausted your patience. I think the subject of sufficient importance to warrant the careful consideration of all of us who are charged with responsibilities concerning the investment of Savings Bank funds.

Mr. Mills: I am greatly in favor of mortgage investments. In fact, we have over fifty—nearly sixty—per cent. of our deposits so invested; but I have been through a good deal of experience in the real-estate market as well as in the bond market, and I want to call the attention of the gentlemen to this fact that from 1873 until 1878 the real-estate owner was practically denied credit in the commercial agencies' reports in New York, and it was said as an additional reason why a man should receive credit that he owned no real estate. I simply state this in order to show you that there can be ups and downs in the real-estate market as well as in the bond market. We have made some loans on property. When a man paid $27,000 for a piece 25 by 100, with a five-story house on it, in the lower part of this city, we loaned $9,000 on it, and if we had wanted to we could have bought that in under foreclosure. That the Savings Banks did not own all the real estate during that time was due to the fact that we were level-headed men and refused to foreclose the mortgages because if we had we would have owned most all of it.

At the present time the real-estate conditions existing in certain parts of this city call for a good deal of caution and especially as these gentlemen who are officers of Sav-

ings Banks up the State are lending money upon reports furnished by the New York people. There are certain sections of this city that could not borrow one dollar from the Dry Dock Savings Bank, although the loan would be within the limit of the Savings Bank Law.

The reason for the bond fluctuations has been the change in the money market. When the three and one half per cent. bonds of the New York Central were bought at a premium, New York City bonds were selling on a three per cent. basis or even lower; and the reason that these bonds were bought was because the return to the investor was so much greater than the ordinary municipal bond. There was a plethora of money in this and every other financial centre and that caused high prices. Now things have changed. Development in this section, the demand for money in business and in different enterprises throughout the length and breadth of our land, is something unprecedented. Consequently the rate of interest has risen and the price of bonds has fallen. There has been a boom in real estate in certain sections, and loans that have been made by lending institutions are such that, when the time comes, you will look just as ruefully on the shrinkage in your mortgage loans as you do on the shrinkage in your bond investments to-day.

As far as I am concerned I would oppose with all the force that I have any increase of the percentage that Savings Banks can lend upon property. I think sixty per cent. is enough. I would be very much opposed to any increase. The fact that trustees, life-insurance companies, and trust companies can lend to the amount of two thirds I do not think affects us at all. I think sixty per cent. is the limit of safety, and on account of the fluctuations that are liable to happen to real estate, to which I have alluded, I would oppose it most strenuously.

ADDRESS OF SUPERINTENDENT KEEP

The following address was given by Mr. Charles H. Keep, State Superintendent of Banks:

Gentlemen: I am glad of this opportunity to meet the Savings Bank men of this State. I am here for that purpose and not to make an address. You represent institutions of which the State of New York is justly proud —proud of the banks, proud of the men who manage them, proud of the laws that govern them, proud of the stupendous record of their usefulness disclosed in a safe guardianship of $1,400,000,000. For some years I have come in contact with bankers from all parts of the United States, largely in connection with the deposit by the United States Government of public funds in more than 1,200 depository banks. A large proportion of these funds are deposited on the security of bonds "such as are lawful investments for New York and Massachusetts Savings Banks." The laws governing your investments are the standard enactments for the safekeeping of depositors' money. Other States envy New York its Savings Bank system, where the business of keeping the savings of the poor is kept separate from profit-making. By this separation you are enabled to pay good interest to your depositors, and yet to give them unequalled security. Where the care of savings deposits is not kept separate from profit-making, the tendency is to pay depositors as much interest as you pay but to invest their funds less safely. If our Savings Bank system has a weak spot it lies in its partial failure on the ground of accessibility. Men will save if they pass the door of a Savings Bank daily, but will put off the day for saving if they have to go twenty or thirty miles by train to a Savings Bank, and take a day off from their usual occupation for the purpose. A strong argument for Postal Savings Banks is their accessibility. This argument gains strength if other systems fail, or partially fail, in this particular. We find trust companies in other States advertising in New York State publications for savings deposits to be sent by mail. Our own trust companies and banks are opening "Interest Departments" and adopting the pass-book system, the Savings Bank system of dealing with depositors. This has been declared legal by the highest court

of the State. This is increasing very rapidly. Almost the only protection left to the Savings Banks is the statute forbidding the use of the word "savings" by other institutions in their title and in their advertisements. National banks claim that even this statute is not binding upon them. In the meantime half the counties of the State have no Savings Banks, none have been organized for years outside of the City of New York, and none are likely to be organized. How far is the inaccessibility of our Savings Banks to savings depositors responsible for the rapid growth of interest paying and "interest departments" in other banking institutions, State and national? This is worthy of your consideration. The Banking Department has favored branch Savings Banks, but I am told that Savings Banks generally take little interest in this suggestion. The recommendation will naturally meet some opposition from people who are now getting a profit from strictly savings deposits. The recommendation will be futile if the Savings Banks themselves take no interest in the establishment of branches. It would seem that such branches could be very economically operated. They could be limited to a certain territory around the main institution. They need not be allowed in places where there is already a Savings Bank or branch Savings Bank. Are there sound reasons that can be urged against these branches, or is the lack of interest perhaps to some extent a consequence of that feature of our Savings Bank system already referred to—namely, that such banks do not exist for profit? Does this fact take away somewhat from the incentive to take on new responsibilities? Does it promote a willingness to let well enough alone? There are many factory towns and industrial communities in this State without Savings Banks, and not likely to have any, where the thrifty must go twenty or thirty miles by rail to find a place to take out pass-books. How are their requirements to be met? At present, in so far as they are met at all, it is by a confused mingling of functions by banks of discount, trust companies, and Savings Banks, by a

process which is rapidly wiping out the distinction between these different classes of institutions. Banks of discount and trust companies are invading each other's field, and both are invading the field of the Savings Banks.

A word about an entirely different matter: In January last the Savings Banks were first required by the Banking Department to place upon the blank form calling for the bank's earnings and expenses an amount to be deducted from earnings for amortization, that is, to absorb premium paid for bonds at maturity. This information is certainly necessary to enable the Banking Department to know whether a bank's real earnings and income are sufficient to pay the interest to its depositors which it is attempting to pay. The note of explanation on the blank form was confusing, and there was some misunderstanding, which was set right by correspondence. For the time being a rough and unscientific amortization is accepted by the department. Perhaps for practical purposes of the Banking Department this is sufficient, but many banks have determined to have a scientific and accurate amortization as part of their bookkeeping system, and the question arises whether a rough and unscientific amortization should be accepted indefinitely by the Banking Department, or whether a reasonable date should be fixed when an accurate amortization will be required.

I am glad to inform you that the Banking Department has begun the work of simplifying and shortening the blanks and forms sent out to the Savings Banks. Information will not be asked for unless the department can make some use of it when given. The blanks to be sent out for July 1st will not be so voluminous as formerly. Probably they can be still further simplified in the future.

I shall at all times welcome suggestions from you gentlemen looking to improvements in the department's examinations of Savings Banks, and in any of its methods of dealing with the Savings Banks of the State.

AMORTIZATION

The following address was given by Mr. Chas. E. Sprague, Union Dime Savings Institution, New York, on "Amortization":

Mr. President and Gentlemen: The word amortization* in the minds of some of our colleagues has been confounded with morphine, just the same as the word mortgage has been confounded with dead pledge. I do not apprehend bodily violence, although there may be some indication of it. I have paid my last premium on my accident policy and I hope the doors are open so that anybody to whom this subject is intolerable may escape. In September, four years ago, in presenting my views in favor of the submission of a value, reduced by mathematical process of principal and interest on bond investments, I felt it my duty, although I never urged upon anybody else to do it, to put it in full operation in our institution. The only suggestion I made was what we call in the vernacular a kick. To Superintendent Kilburn I objected to stating any earnings of our bank without regard to providing for the premiums on the bond. I said that I could not swear to it in that case, and I made a statement bringing down the balance, which was only perfunctory and was not a true balance, deducting, however, our amortization.

The first objection, which I can hardly consider an objection, is the amount of labor required to make the computation. Knowing Savings Bank officers of the State as well as I do, knowing their eagerness for work and their desire to be busy and to pass away the hours in their sanctums, and knowing what slaves to duty they are, I think it is rather an argument in favor than against the

Amortization (Fr. Law), the right or act of transferring lands in mortmain to a corporation.

*Mortmain (Fr) mort, dead, main-hand, a condition of property in which it is held without the power of change or alienation, or as it were in dead hands: a term originally applied to the possession of land by ecclesiastical bodies, the members of which (being professed) were reckoned dead persons in law: an inalienable possession.

practice of computing investment values. I think it is a labor of love to most of you. We can leave that objection to take care of itself.

There are one or two other objections which relate to delusions or misconceptions of the subject. The first one of these that I will take up is the superstitious reverence for the par value. What is the par value? That has a very different meaning in different connections. The par value of stocks is a mere fiction. The par value of a stock does not at all show the actual value. We could all get very rich if par values were the real value. We could within a few blocks of here buy mining stocks for a few cents a share, we could all lose money by selling Chemical Bank stock at par. The Hon. Edward M. Shepard took the position that par values should be done away with, but that the shares should state that they bore the proportion of one millionth or one thousandth of the whole assets of the institution. I would not go as far as that, but the par value in the case of stocks is an absurdity. Some years ago there was a discussion as to what was the par value of our surplus by gentlemen in this State, and it has cost a great deal of expensive litigation to find out what that was. I don't think we have found it out yet. Some of these mathematicians can find out the par value of an Adirondack forest where they have dammed up the streams as they have already dammed the banks. But the par value of a bond is something more substantial. It is the principal sum which will be paid at maturity. Why don't we call it principal? It is the principal and that is all. A principal sum means the chief sum, and it is a fact that every bond that we buy covenants not merely for the payment of a principal sum at some future date, but for the payment of a number of minor sums which, while none of them equals that of the principal sum, probably in the aggregate they far exceed it, and the gentlemen who talk of par values as being the real value must ignore the greater part of the value of the bond. For example, let us take a six per cent. thousand-dollar fifty-year bond

which is a promise not only to pay $1,000 at the end of fifty years, but to make one hundred payments of $30 each. That means $3,000. You should not ignore the $3,000. That you are going to get in periodical payments every half year. You should take into consideration the $1,000 payable at the end. I say that the $1,000 is not worth $1,000, because a thousand dollars payable in one year or several years from now is not worth a thousand dollars. This Government can make a bond worth par when in fact it is worth much less. I have made a few figures here showing a six per cent. bond having two years to run. To start with a simple proposition, that may be considered as five promissory notes, one for $1,000 due two years from now; another $30 due in six months; another of $30 due in a year; another in a year and a half, and another at the same time as the principal of the bond. If you buy that bond on the six per cent. basis you pay exactly par. I admit that. But not for the reason that you may argue. The reason why that bond is worth just $1,000 now is the fact that present values of those five items will amount to that. The thousand dollars itself is $888.49. You are not going to ignore the interest upon the thirty-dollar payments. You deposit those in the same bank. The $30 is principal invested and has earned interest upon it. But you cannot distinguish principal and interest in current accounts. In our deposit account a man comes in and asks: "How much on this book is principal and how much is interest?" Perhaps he has drawn $10 at one time and at another $23, and then he has his interest written up. You say: "We don't know whether in drawing this $10 you drew it out of principal or the interest, and we don't care; it is all principal with us." The value of this $30 or the net value of the $30 discounted at six per cent. for six months is $29.13. The value of the next $30 item, ascertained by reference to any reliable book of tables, is $27.45, and the last one is worth still less, $26.65. If anybody who is expert at adding will add those across he will find the reason why that bond is worth a thousand dollars is not be-

cause that is the principal sum, payable two years from now, but because of the value of those five items. You have discounted the five notes and that is why the par in that case is exactly the principal.

Let us make another supposition to show that the calculations in these books are correct. Let us discount this bond at four per cent. We will say that it is two per cent. semi-annually. We know the principal of true discount; it is not the bank discount. If it is at four per cent., in order to earn four per cent. at maturity you have to pay $29.41 for that one (indicating) instead of $29.13; for the next one $28.84; for the next one you have got to pay $28.27, and for the final one $27.72. For the principal you have to pay $922.85. If you add those across we will find they do not amount to par. The present values of what you have invested in five different securities of five different future sums receivable is $1,038.09, and that is really a cent too much. If you had bought them according to the tables they would have cost $1,038.08. There are a few mills of which the majority of them falls short. That is not really quite 84 cents and that is not quite 27; consequently there is an apparent error there which will rectify itself in the long run of one cent. Let us consider what happens in these two years during which you hold these bonds. You are entitled to get four per cent. a year, payable semi-annually. Here are five sums. On the first one you are entitled to get 58 cents; for the second you are entitled to get 58 cents, and for the third 57 cents, and for the fourth 55 cents. On the large one it will be $10.48. Now we will find how we stand at the end of the half year. The first one amounts to exactly thirty dollars, and that is what you get. We will call that off. Your second payment is worth $29.42, and your third one is $28.34, and the fourth is worth $28.27, and the principal sum not worth a thousand dollars but $932.43. The amount now invested is $1,028.86. One of these five notes which you discounted, on which you have received three per cent. for the half year, has been paid, and that is out of

the question. The next one on the next half year you ought to get 59, but as a matter of fact you only get 58 cents on account of this little preference; that 84 was not quite 84. Consequently, in the course of time, you lost that cent. This one becomes $30, is paid off, and eliminated. Again here we have the figures 58 and 57. We will make an inventory of what we have. We have only three items added together. The first one comes to $30 and is paid; the next one amounts to $29.42, and one more operation of the same kind will finish it—we have a thousand dollars and one cent. We have reduced that to par at maturity. The principal of a bond payable in the future is not worth par. In computing values of bonds you have to take into consideration interest payments as much as the final principal payment; and, lastly, that in no other way, as our superintendent pointed out, can you exactly ascertain your earnings and the amount which, consequently, you are at liberty to divide among your depositors.

There is one other of these mistaken ideas. It is hard to think that a bond below par operates on the same principal as a bond above par. Everybody will admit when a bond bears a premium there is a small reduction of the interest. If you pay 104 where the principal sum is only a thousand dollars you are lowering whatever the nominal interest is to a lower figure. Nobody would say that because a bond is so good, because the railroad is so fine, because they carry so many passengers, and because it has such splendid earnings, that that would make a thousand-dollar bond worth $1,040. There was never a road so good that its mere goodness would raise the value of its bonds. There is also an idea that there may be a depreciation in a bond which is not due to raising the interest rate. That I think a delusion. I think that a bond secured by certain mortgages cannot be reduced except so far as that reduction raises the interest. The reason for that is this: every payment of interest is for the use of the money, the bare use of the money, and nothing else. The

Government of the United States gets its money even below the riskless rate, but on every other security of any kind we not only pay the current rate, caused by the law of demand and supply for the use of money—the use that can be made out of it by the other man who borrows it—but we pay an insurance premium against risks. That is not the risk of not being able to collect the money at all; it is the risk of having to wait for it, the risk of being tied up in legal proceedings, the risk of delay and being obliged to institute court proceedings, the risk of many things, and these are insured against by part of the interest. Every interest payment consists in part of an insurance premium. The State of New York has absolute credit, but it has been unable to borrow on its new canal bonds at three per cent. Therefore we can pretty easily say that three per cent. represents interest without risk. The plain interest eliminated, it is a question of risk and trouble.

Let us suppose a railroad bond that we bought ten years ago at 95 with twenty years to run at that time and now has ten years to run. Owing to the bad management of the road and other causes, a good many of them, that bond has depreciated. Is it the bad management of the road that has depreciated the bond? I say no. I say it is the bad management of the road which has caused the higher insurance premium to be paid by the purchaser against this risk and trouble of delay and possible loss.

Mr. Coombs: Does it not amount to the same thing after all?

Mr. Sprague: Not quite. I don't think so and I will show you why. Suppose we paid 80 for that bond; that is a six and three eighths basis. In round numbers there is \$80,000 on \$100,000 bond. That does not affect the purchaser of the bond unless the bond is not going to be paid at maturity. The rate of 80 means that if the railroad had to borrow again on a four per cent. bond it could only sell at 80. Suppose the railroad had some bonds unissued in its treasury and had the right to vary the percentage on those. If the badness of the road

directly affects the value of the bond, without regard to the interest, then it ought to affect these bonds which could never sell at par. Suppose a man comes in with $80,000 and he says: "I am going to buy a hundred thousand dollars' worth of your bonds at 80 on which they will pay me six and one half per cent.," and you say: "You have some on which the interest may be fixed by us at discretion," the six and one half per cent. bond would not be shaded below par by the effect of the badness of the road. A few years ago, when these were at 95 on a four and three eighths basis, probably the insurance risk included in the interest was two and three eighths. The road has got so bad now that it pays six and one half per cent., and it pays three and one half per cent. for insurance. And that is all there is of it. The management of the road and its run-down condition are not sufficient to prejudice the probability of your getting your money in full and getting it without trouble and litigation. That will not affect the price of the bond, but it will affect it through this case upon the rate of interest, upon that part of the rate of interest which is included in the heading "Insurance premiums against risk."

VIEWS AS TO BANK ADVERTISING

Mr. Franklin of the Queens County Savings Bank:

Mr. Franklin: I desire to call to the attention of this meeting a matter which was touched upon last year and as it seems to me is worthy of at least an expression of opinion from this Association, and that is the practice indulged in by some of the largest banks and which I fear is spreading, of soliciting, by advertisement or otherwise, deposits from within territory occupied by another institution.

The bank which I represent is situated in the old village of Flushing, now a part of this great city, and I hold in my hand a copy of an advertisement which has appeared for the past few weeks in both of our daily papers, calling

attention to the great strength of a savings institution in the Borough of Brooklyn and soliciting deposits by mail, thus seeking to divert funds which naturally would come to the Queens County Savings Banks.

Now while I do not believe such action is contrary to the letter of the law, I do most emphatically assert that it is contrary to its spirit, for, if I read the statute correctly, the Legislature intended that a Savings Bank should have exclusive control of the territory in which the bank is situated, and as conditions change as to density of population, etc., the law expressly provides that the Superintendent of the Banking Department shall, if another bank wishes to enter said territory, decide whether, in his good judgment, it is desirable to give permission for it to do so. I certainly consider, Mr. Chairman, that such a course of action on the part of any savings institution is unjust to the smaller banks and unwise to those who participate therein, for if this mad rush for supremacy or personal aggrandizement continues, it will, in my opinion, eventually result in disaster; and in order to bring the matter regularly before the meeting, I beg leave to offer the following resolution:

Resolved: That in the opinion of this Association, the practice indulged in by some of our larger institutions, of soliciting deposits within the territory occupied by another Savings Bank, is unwise and not conducive to the best interest of savings institutions.

This was referred to the Executive Committee for report at the next meeting.

Note: Mortgage Tax Law became operative July 1, 1905; it was superseded July 1, 1906, by the Mortgage Recording Law.

CHAPTER XV

Fifteenth Annual Convention—Retirement of President Van Rensselaer and Secretary Conklin—Address of Bank Superintendent Clark Williams—Resolution of Mr. Charles A. Miller Relative to the Finances of the City of New York—Election of Mr. Chas. A. Miller, as President—Addresses by Andrew Mills, John Harsen Rhoades, Son of the Former President, and Chas. E. Hanaman—Amortization of Bond Investments.

THE Fifteenth Annual Convention, which was held in the City of New York on May 14, 1908, marked the retirement from the Presidency of Mr. William B. Van Rensselaer, who had served for four years most acceptably in that capacity. The Association also lost the further services of its veteran and efficient Secretary, Mr. Wm. G. Conklin, both having positively declined to permit the further use of their names in connection with the offices named.

THE PRESIDENT'S ADDRESS

In his opening address, President Van Rensselaer said:

It gives me great pleasure to welcome you all to our fifteenth annual meeting. I desire to assure you that our Association was never stronger than it is at the present time. We are recognized as an important factor in Savings Bank matters, not only by the Banking Department, but also by the strongest and best men in the Legislature of the State. They know the position this Association takes is what we honestly believe to be for the best interests of our depositors, and the Legislative Com-

mittee on Banks is ready to trust us as experts and to coöperate with us. As long as these committees are composed of the same class of men that now serve, the Savings Banks need not worry about hostile or unsound laws.

In his recent report to the Legislature, the Superintendent of Banks says that during the year 1907 the withdrawals from the one hundred and thirty-eight Savings Banks of the State exceeded the deposits by nearly thirty-two millions, but that the dividends credited increased the amount due depositors about eighteen and a half millions.

Notwithstanding the excessive withdrawals there was a gain in open accounts of 45,638, bringing the total number on January 1, 1908, to 2,731,477.

The question occurs to me whether or not it would be feasible or desirable to require a notice on every withdrawal. This thought was suggested by a visit to the Philadelphia Saving Fund Society, incorporated in February, 1819, which on the first of January last had 265,206 open accounts, considerably more than any Savings Bank in this State.

This Society has, and strictly enforces, the following by-law: "Deposits and interest thereon will be repaid after two weeks' notice (interest ceasing when notice is given). The Society may, however, exercise the right under its charter, when deemed advisable, to limit the amount payable, after two weeks' notice, to sums not exceeding One Hundred Dollars; when more than One Hundred Dollars shall be demanded within any period of sixty days the Society may at any time require sixty days' previous notice before paying more than the said One Hundred Dollars."

During the year 1907 the Society had 420,000 deposits and 182,000 withdrawals, and the deposits exceeded the withdrawals by $645,176.29 (interest credits not included). The New York State Savings Banks lost $31,608,897.75 during that period. In the year 1893, when the withdrawals

exceeded the deposits in the New York State Savings Banks, this Society gained.

During the past thirty years (I have no available figures beyond that period) the deposits exceeded the withdrawals each year, and the Society increased steadily its contingent fund, which we foolishly call "Surplus," from one million to over eight million dollars.

While the New York laws allow us to pass by-laws to repay deposits after such previous notice as the trustees shall prescribe, and while we all have such by-laws, it is customary to waive any notice except in rare cases; and when the right is exercised we do it reluctantly and consider it a weakness to be compelled to do it at all. If notice was universally required it might effectually prevent danger of a run and our customers would soon become used to it and think nothing about it. My mind is open to conviction on both these topics. I believe the time has come when they should be discussed and thrashed out, and this Association should decide what position its Executive Committee should take and the reasons therefor.

My attention has been called to the facts that the Savings Banks of this State have invested $150,000,000 in the bonds of the City of New York, and that the accounts and methods of the Department of Finance of the city are now kept in an antiquated and chaotic manner. It is of great importance to the Savings Banks that the municipal finance of all the cities, in whose bonds we may invest, should be placed and maintained upon a sound business basis.

These reforms in the finances of New York City will not be brought about, it is feared, without a strong expression of public sentiment and the emphatic demands of those institutions which should know the exact state of affairs.

I have had the great honor of holding the office of President of this Association for four years. Let me say that I consider the work done in connection with it as part

of the most interesting of my business life. It is a very real regret to me that it is over, but the time has come for some one else to assume the honors and responsibilities of the position. I have, therefore, requested the Committee not to renominate me.

As the ex-Presidents of the Association are by our Constitution *ex-officio* members of the Executive Committee, I shall hope to continue to render what services I may for some time to come.

In retiring from the Presidency of your body, I desire to thank you for your ready assistance, whenever I have needed it, and for your untiring kindness and Consideration.

REPORT OF THE EXECUTIVE COMMITTEE

The report of the Executive Committee was read by Mr. Miller of Utica.

The Executive Committee met on October 11, 1907, and organized by reëlecting the chairman, secretary, and counsel. The propriety of calling a meeting of the presidents of the various banks in the City of New York, to consider a uniform rate of dividends of three and one half per cent., was discussed. As it was the opinion of the majority that such a meeting was, at that time, inexpedient, that matter was dropped without formal action.

The soliciting of deposits by larger institutions within the territory occupied by other Savings Banks, which was referred to the Executive Committee, was considered, and the following resolution was adopted:

"*Resolved*, That while we deprecate any undue competition between institutions that should all serve the public unselfishly, the proposition referred to in the resolution can only be regulated by the good sense of the officers of the various banks and cannot properly be restricted by this Association."

On November 20, 1907, the Executive Committee met to consider the effect of the panic upon the Savings Banks. Committees consisting of Messrs. Mills, Fel-

singer, and Mulry for New York County, and Messrs. Meserole, Schieren, and Coombs for Kings County, were appointed to take such steps as might be desirable to strengthen the position of the banks in each county.

During the winter the Executive Committee was consulted in writing as to its attitude toward the amendments to sections 20 and 123 of the banking law, which provide for some form of amortization of securities, and the bills introduced by Messrs. Saxe and Bennett restricting the trustees in a Savings Bank who may be directors of any other single financial institution to one third of the total number, and providing that no officer of a financial institution in which a Savings Bank deposits any fund may be a trustee in such Savings Bank. Each member of the Committee expressed his views on these measures. By substantial majorities the Committees decided to favor the first two measures and to oppose the others. In like manner the Committee decided to oppose the bills of Senator Davies and Mr. O'Brien which amended the investment law by legalizing the bonds of steamship companies plying on the Great Lakes.

The Committee met again on April 10, 1908, and elected Mr. Conklin of the Franklin Savings Bank to fill the vacancy on the Committee caused by the death of Mr. W. H. S. Wood.

The session of the Legislature for 1908 was very prolific of changes in the banking law, and the Savings Banks did not altogether escape attention. Altogether, the officers of the Committee received and examined carefully two hundred and six bills which affected banking interests, and, of these, found thirty-seven which directly interested the Savings Banks. These ranged in importance from the bills introduced by the Committees on Banks with the approval of the Superintendent, which amended sections 20 and 123 of the banking law as to amortization; authorized banks to borrow money and give collateral, with the consent of the Superintendent; required trustees to take an oath of office and made the officers responsible for

presenting to the trustees, monthly, a detailed report of loans and investments; to bills like that of A. E. Smith, requiring an annual election of trustees by the depositors and making trustees ineligible for reëlection.

A hearing was held on March 3d, before the joint Committees on Banks of the Senate and Assembly, at which the Committee opposed the following bills: Admitting New York City tax liens to the investment list; admitting steamship bonds to the list of legal investments; restricting the number of trustees who may be directors in other financial institutions to one third; repealing Chapter 42 of the Laws of 1900, pensioning officers and employees after twenty-five years of service; requiring dividends to be paid quarterly; providing for the insuring of Savings Bank deposits; requiring the payment of interest to depositors for the full time their money remains on deposit. We believe that no bill which we opposed became a law.

REMARKS OF MR. CLARK WILLIAMS

It is a great pleasure for me to be with you to-day and to meet you personally. I feel sure that the business of your Association will preclude a lengthy discussion of matters which of late have been on the minds and hearts of those interested in banking in this State. I welcome the opportunity, however, of being with you. Six months ago I knew very little about Savings Banks, and I daresay there are those who perhaps do not approve the legislation recently enacted who will think that the condition of mind of the Superintendent of Banks has not since materially changed. There are several things, however, gentlemen, that I do know. I have learned to respect the Savings Bank of the State of New York as an institution of the highest class. I doubt if in this world there is a type of financial institution which better serves its purpose, which is safer, and answers more adequately the needs of the people who are properly its patrons. This condition may be attributed by some to the laws upon our statute books. I go further than that, however, and attribute it to the

character of the men who have the management of these institutions in their care. That management, in my judgment, is characterized by an unselfish adherence to the principles upon which these philanthropic institutions are founded. The ambition of the Savings Bank President is for the safety of his institution and the proper care of the moneys of the provident poor, rather than a personal ambition to become himself wealthy.

There is a matter to which I suggest you should give proper consideration, and that is the encroachment upon your legitimate field on the part of other institutions, some financial, some mercantile, some State institutions, and Federal institutions as well.

It is a personal satisfaction at this time to express publicly my appreciation of the efforts of your Committee upon Legislation. The work of your honored President, of Mr. Miller, and of Mr. Mills, was of inestimable value not only in securing the legislation which we believe will be of great benefit to your system in the future, but quite as much in the prevention of the passage of measures which were improper.

I wish you to know that it is the purpose of the Banking Department to be characterized by responsive, efficient administration. This is what we wish, and we ask your coöperation. We feel that without this coöperation this efficiency cannot be maintained. We wish you also to know that we propose to be helpful to the greatest possible degree, and shall welcome at all times the opportunity of being of service.

FINANCES OF THE CITY OF NEW YORK

Mr. Charles A. Miller: Mr. Chairman, if it is in order under the head of new business, I wish to present and move the adoption of what would be a suitable resolution in regard to the finances of the City of New York, in response to the request of the Association, which has been communicated in writing, I think, to every member here, and which communication has explained the necessity and

desirability of more efficient accounting methods. I therefore move the following:

RESOLUTION OF CHAS. A. MILLER

Whereas, The Savings Banks of New York State own approximately $150,000,000 of New York City bonds, and

Whereas, The 3,000,000 depositors in these Savings Banks have an important interest in the legality and market price of municipal holdings, and

Whereas, Both the legality and the value of municipal bonds may be affected by the methods of administration which fail to give accurate information as to the amount of indebtedness, and which do not protect against wasteful expenditure and inadequate accounting for revenue, and

Whereas, The Comptroller of the City of New York has given publicity to a report by the Bureau of Municipal Research, which shows that New York City is not able at present to determine the amount of its liabilities, to determine the propriety of expenditures on claims presented for payment, to audit its revenues, or protect itself against infidelity or incompetence of officers and employees, and

Whereas, The Comptroller of New York City has adopted the plan submitted by the Bureau of Municipal Research after approval by three leading accounting firms providing for reorganizing the financial methods of New York City so as to apply principles of business administration, be it

Resolved, That the Savings Banks Association of the State of New York express to Comptroller Metz the belief that the immediate reorganization of New York City's Department of Finance is of the utmost consequence to the depositors in Savings Banks, and that no consideration should be permitted to obstruct the execution of plans for such reorganization, and be it further

Resolved, That while not committing itself to details of any particular accounting method, the Savings Banks

Association submits as the minimum requirements of adequate financial control that

(1) Responsibility be fixed for every financial transaction.

(2) A basis be provided for the prompt and intelligent audit of claims for goods furnished and work performed.

(3) A method be installed for proving the accuracy of collections, not only by cash books, but by reference to evidence of moneys due and moneys actually received.

(4) If it be possible for investors in New York City's bonds to know the total liabilities of the city, as a means of determining the value and legality of such bonds before purchase.

Be it further *Resolved*, That it is the sense of this Association that, in effecting such reorganization of New York City's financial methods, Comptroller Metz would be conferring a lasting benefit not only upon Savings Bank depositors and holders of municipal bonds, but upon all interested in the more efficient administration of municipal government.

ADDRESS OF WILLIAM J. COOMBS

Mr. President: I think we cannot overestimate the importance of the action contemplated under those resolutions which I understand have the sanction of Comptroller Metz. There is probably not a Savings Bank represented in this gathering that is not a holder of bonds of the city. We none of us doubt for a moment that they are perfectly safe and will be paid at maturity, yet we are confronted by the fact that, while it is the greatest and richest city in the country, their market value is very much below that of some inferior cities. We find the bonds of some of the eastern cities quoted on a 3.80 basis, while those of this great city are held upon, approximately, a 4.20 interest-paying basis. This is doubtless in part due to the very large issues that have been necessary on account of the enormous expenditures necessarily incurred in the improvements called for by the various

boroughs, all of which add to our security as bondholders, but a large part is caused by our defective system of bookkeeping and accounting, the survival of old methods not adapted to the new conditions since the time of consolidation. One cause of confusion is doubtless in the condemnation of property for public uses. The Comptroller's office must find it difficult to accurately estimate the amount of the indebtedness of the city for land acquired, or in process of being acquired. The following is an illustration of what I mean: Our Institution has two mortgages on property acquired by the city—through condemnation proceedings. In both cases they are related to improvements decided upon, but the full legal details of which have not been completed. Nevertheless the city has entered upon possession and exercised the right of full ownership, such as removing buildings, and in one case making excavations, leaving us practically in the condition of holding a mortgage on a hole in the ground. We are not worried, but the condition is peculiar. If the resolutions do not specifically cover this point I suggest that an amendment be added. We must all of us sympathize with the Comptroller, who is a good business man, in his efforts to inaugurate a new system of bookkeeping and accounting that will enable him at all times to be guided by exact information.

The General Government is, I venture to say, a model in this respect. Under all administrations the system inaugurated by Alexander Hamilton has proved adequate to meet the requirements of the country, notwithstanding its enormous expansion. Although many efforts to change it have been made, they are essentially the same as that devised by that great statesman. Under its operation the Secretary of the Treasury is able on the first of every month to make an accurate statement of the resources and obligations of the Government. If our Comptroller was in a position to do the same thing it would simplify his duties and add greatly to the market value of our city securities.

Mr. E. P. Maynard: Mr. President, may I say a word on this resolution?

While I suppose the measures advocated in this resolution are necessary, I also believe we want to be very careful in adopting the resolution because of the possible effect on the market value of these securities. For that reason I believe that in the resolution should be incorporated a statement to the effect that we have every confidence in the ability of the City of New York to meet its obligations at all times, but that we do believe that some change should be made in the method of accounting in the Comptroller's office.

The resolutions were adopted.

Mr. John T. Smith, Chairman of the Nominating Committee said:

As our very worthy and efficient President and Secretary have declined further nominations for the offices which they have filled so effectively as to merit the gratitude of the Association, it becomes necessary under these conditions for the Committee on Nominations to look for some one else to fill the positions. Our minds would naturally turn to one who would seem to be a logical candidate for President under the situation, a man who was the father of the bill for standardizing the investments of Savings Banks, one of the most important pieces of legislation which have passed the Legislature in relation to banks. It not only fixed a standard of valuation, but it removed that constant menace of speculators making a market for their bonds by dumping them upon the Savings Banks. He is a man of keen, good judgment, who has been the champion of the banks in all matters before the Legislature for some years past, and who, to my own experience, is one of the most effectual advocates that has ever come before the Legislature.

I would say that this matter was submitted to Mr.

Miller and I failed to get his consent, but I believe that if it comes to Mr. Miller by the request of this Association he would have to accept.

Mr. Miller, President-elect on assuming the chair, said:

I do not think any one can regret your act more than I do. I am sure no one could feel more highly honored than I feel by what you have done. I can only say to you that while I remain your President I will do the very utmost that in me lies to follow the examples which have been set for me by the really great men who have preceded me in this office. The most that I can promise you is that it will be my greatest effort to try to do as nearly as well as those Presidents who have gone before me as my ability will permit, and to follow especially my last predecessor, whose retirement from the office of President I believe to be a really great loss to this Association. I cannot accept the office without expressing my very great regret that in taking it the Association is losing the services of Mr. Van Rensselaer, who has done for us all much more, I think, than you gentlemen who have not been closely associated with him can ever know.

Mr. Mills: Mr. President, I would like to add a word to the testimony that has been given in regard to the efficiency and the untiring efforts that have been made by our late President and by our retiring Secretary. Of course, as you know, the men who are more closely associated with the officers are the members of the Executive Committee, and having been a member of that Committee since the organization of this Association I can speak with full knowledge, and I want the records of this Association to show that we thoroughly and heartily appreciate the untiring efforts of Mr. W. Bayard Van Rensselaer, who has served us so faithfully for the past fourteen years, and also for the less conspicuous, but not less important, efforts put forth by our Secretary, Mr. William G. Conklin, who

for so many years has served us as Secretary of this Association.

The President: Gentlemen, you have heard the motion of Mr. Mills, that a vote of thanks on the part of the Association be tendered to Mr. Van Rensselaer and to Mr. Conklin. The motion is seconded. Are there any further remarks? If not, all those in favor of the resolution will manifest it by rising. The vote of thanks is extended by the Association to Mr. Van Rensselaer and to Mr. Conklin.

ADDRESS OF MR. ANDREW MILLS

Mr. President, Fellow Members of the Savings Banks Association: It is not my intention to deliver any formal speech, but to simply state in a plain way, or to give, rather, to the members of the Association, a history of the panic as affecting the Savings Banks in Greater New York, and to draw some deductions that may be of profit to us all.

Outside of New York, as near as I can learn, there was little or no excitement. The withdrawals for a long time were a little heavier than ordinarily, but nothing in the shape of a run evidenced itself in any quarter to any extent. In New York the situation was entirely different. When the trust companies and banks which had branches in the upper part of the city were forced to suspend, people having deposits in the Savings Banks in the neighborhood became somewhat excited and started to withdraw their money, so that this movement, started way up in the northern part of the city, worked itself down gradually through the different sections, coming down by the west side, until it reached the centre of the city.

At first we paid comparatively little attention to it, thinking that it was simply the fright of a few people in the neighborhoods that I have indicated, but we saw from day to day that the withdrawals were increasing until they were reaching very large proportions, and a meeting of the Savings Bank Presidents of New York and Brooklyn

was called at the Greenwich Savings Bank on Thursday afternoon at five o'clock. Reports from the different banks showed that the actual withdrawals in currency that day had reached the sum of $2,500,000. The banks of deposit, the commercial banks, and trust companies, were in no position to supply any such amount of money to be paid to people whose simple desire was to put it between the mattresses or hide it in their stockings. A Committee of two was appointed at this meeting to which I refer, to confer with the Committee of the Clearing House Association and place the matter before them. Mr. Mulry and myself were the Committee that met the Clearing House Association on the following morning. We stated the case and told them that we were in a position to pay provided they were in position to provide the sinews of war. They advised us by all means, in the interests of the community at large, to enforce the time rule and refuse to pay beyond a limited sum. That was the day on which the Clearing House Association decided to issue Clearing House certificates.

The adjourned meeting was held at the Dry Dock Savings Institution at one o'clock on the following day. There the officers reported the same condition of affairs, only that the withdrawals were on a larger scale. After a long discussion, and viewing the question from every side, it was unanimously decided that we should demand the sixty-day notice. Our honored Bank Superintendent was at the adjourned meeting, and while some were hesitating as to the wisdom of withholding this money which might be used in channels where it would do good, he received a call on the telephone. He came back and said: "Gentlemen, five banks have suspended in Brooklyn since ten o'clock this morning." There was no further argument on the matter, and the resolution for enforcing the rule was unanimously adopted.

There is one thing I want to say in recognition of the attitude of the press toward the Savings Banks. Without exception, the newspapers published in the City of New

York and Brooklyn vied with each other in efforts to reassure Savings Bank depositors and to discourage them from even going to the banks; and they did much that was beneficial to the entire situation. There has been no other opportunity to acknowledge this, but I take this opportunity, and very gladly, of doing it.

That is the story in a few words as far as the immediate effect of this panic upon the banks is concerned. There are a few lessons to which I would call your attention.

The first is the importance of requiring notice of withdrawals on the first evidence of a disturbance or lack of confidence on the part of the depositors. The time was when it was considered an evidence of weakness for a Savings Bank to enforce the limit. Why didn't they pay? That day has passed. It is an evidence of strength when an institution says: No, we are not going to give you your money; we are not going to dispose of the securities which belong to the other depositors at a loss simply to gratify the few. Gentlemen, do not hesitate. Face that question squarely. Impress it upon the minds of Savings Bank depositors that a Savings Bank is not an institution to pay on demand. It never was intended to be such. The fundamental principle of the law on which it is founded says that you shall invest your money, and you cannot pay demand deposits with invested money. The second is the importance of acting in unison. The strength of the situation in New York and Brooklyn was that the Savings Bank officers acted in time, before the great mass of the depositors became frightened, and consequently there was no mob at any bank. That was the first element of strength, and the second was that they acted together, so that no bank which might happen to be in a more fortunate position than another could take to itself any credit for not doing what was recognized as for the common good of all.

There is one thing that developed which is incidental only, and that was the difference in the time requirements of the by-laws of the different institutions. We say sixty-

day rule, sixty-day law. There is no sixty-day law. The law says you may require such time as your by-laws provide. The majority of the institutions have a by-law requiring sixty days' notice, some thirty days, and some ninety days, and one institution that I know of, its actual requirement to pay is only on four days in every year. But would it not be well for the banks to consider the desirability of having a uniform by-law throughout the State so that the notice (whatever be decided upon, whether it be sixty days or ninety days) would put every bank in the same position? That, however, is incidental.

Another lesson is the paramount importance of accumulating a sufficient surplus or guarantee fund. It was an easy thing, when securities were advancing and rates of interest were falling, for investments made by the different Savings Banks to show from time to time an appreciation in value or paper profit. The period through which we have passed for a short time showed a decline in the investment securities unprecedented, and in my thirty odd years' experience in this business I do not recollect the time in which the so-called market value on which we were then compelled to report our securities was so disturbed as it was during last fall. That caused the thoughtful minds in the Savings Banks to turn to the fact that the accumulation of surplus that had been criticised so freely in times gone by was an actual and fundamental necessity.

Two years ago in the Legislature of this State there was presented a bill compelling Savings Banks to divide with their depositors any excess of five per cent. of their surplus as based upon their annual reports. If that law had been enacted you can see for yourselves what the position of the Savings Banks of the State of New York would have been on the 31st of December, 1907. Time and time again have the Savings Banks been assailed by people who have not given the question sufficient thought, for accumulating a surplus which they say does not belong to anybody—nobody gets it; it is no good to any one; and the Savings

Bank officers simply keep it for their own benefit. Gentlemen, that day, I am very thankful to say, has passed, and I think in the near future that neither in nor out of the Legislature will any Savings Bank be criticised for accumulating a sufficient surplus or guarantee fund.

One thing more: In some locations immediately on the decline in deposits or the withdrawal of money the officers became worried and said: here, the reason for that is we do not pay interest enough. Now we have been paying three and a half per cent., and we will advance our rate to four and we will keep this money here.

Gentlemen, that is folly, arrant folly. Ten thousand times better for your institution to pay three and one half per cent. and add to your surplus and make your deposits unquestionably safe than to build a bank of enormous proportions. The fundamental principle of a Savings Bank is safety, not size.

Now it would be almost an impossibility, I suppose, to get every Savings Bank to pay the same rate of interest, but the majority of Savings Banks are in a position, that as money becomes easier and the earning capacity of money lessens, as it is now doing every day, to return to the rate of three and a half per cent., and in my judgment the time is very near when the rate of interest should be three and one half per cent., and the excess of profit go to increase your guarantee fund.

ADDRESS OF MR. JOHN HARSEN RHOADES, SON OF THE FORMER PRESIDENT

Mr. President, Gentlemen of the Savings Banks Association of the State of New York: I assure you I highly appreciate your courtesy in asking me to address you. I am honored, yet embarrassed, to stand here. Bearing the name of one who so many times addressed you on similar occasions, I am impressed by my total inability to take his place.

With your permission I will divide my subject into two parts: First, "The Financial Outlook of Savings Bank

Investments"; secondly, "Its Relation to the Surplus of the Banks." The topic "The Financial Outlook of Savings Bank Investments" is one which refers to future conditions. But to forecast the future it is necessary carefully and seriously to consider the present and review the past.

It is time to be optimistic, and I shall dwell on the past only in order to obtain a comprehensive view of present and possible future conditions. No one can deny that within two years has occurred a great decline in the value of Savings Bank investments, so great that one is appalled by its very magnitude, and yet the Savings Banks of this State are permitted to invest only in the highest grade securities. Had any one said, in 1904, that three years later the City of New York would be obliged to sell a four per cent. bond, he would have been laughed at, and yet the city in 1907 was forced to sell a bond bearing four and one half per cent. This is not only true in the case of our city, but applies to other municipalities as well.

The immensity of the decline, and the fact that it was entirely unforeseen, are the two main features I will ask you to remember.

Let us endeavor to find a cause for this depreciation. Without doubt there were many causes. There are those who believe the Administration was in part responsible, but surely we cannot blame the present Administration for the decline in the value of British consols, nor in other foreign securities.

In my opinion there is one theory which stands so preeminently above others it should be given grave consideration. I am alluding to the part recently played by high money. The rates for money the world over, and especially in this country, remained high for a long period. In fact, time money had ruled at six per cent. for twenty-four months. What was the result? An adjustment of values took place; bonds which had been selling on a three and one half per cent. to four per cent. basis were not in

harmony with money at six per cent., for a difference of one half of one per cent. between time money and legal bond bases may be considered normal. I trust you will not misunderstand me. I do not wish to imply that temporary high money will cause a decline, but that continued high rates will ultimately result in lower prices for bonds.

Assuming that the prices of bonds depend largely upon money rates, we must naturally look for a reason for the high money which prevailed. Many theories might be advanced to account for this condition, and, among them, the great prosperity and business expansion throughout the land. No doubt earthquakes and wars played their part, but it seems to me that what might be called over-prosperity was the chief cause for high money. Gentlemen, to continue my line of argument—what occasioned over-prosperity? Was it the growth of a young country with immense resources? Perhaps, but I believe the increased output of gold played a most important part. It is an established economic fact that an increased gold production will cause a rise in commodities. We had a similar result in 1849, at the time of the gold discoveries in California. Does it not seem rational that, with a rise in commodities, over-speculation will be engendered not only in the commodities themselves, but, through their rise, in general lines of trade, and does not this over-speculation mean a demand for money, naturally followed by higher rates? And higher rates denote lower prices for bonds.

It may occur to you to ask why we are witnessing easier money while the gold output continues. May we not assume that the shock to credit and loss of confidence have brought an end to over-speculation, and that curtailment in speculation more than offsets the effects of a continued output of gold?

It is extremely difficult in a few words to explain the effects of the ever-increasing supply of gold, but for the present I am convinced that the continued output (more

than the needs of the country demanded) has been an important, perhaps the most important, cause for the decline in the value of securities of fixed income, a decline which has extended, with intermittent rallies, over a period of twenty years.

Let us now turn to some special Savings Bank bonds. Several years ago the deposits of the Savings Banks had grown to such an extent that it seemed advisable to enlarge the scope of investment, yet the men who were influential in bringing this about might have acted in a different manner had they been able to foresee the consequences. It was essential that the scope should have been broadened, but the result was unfortunate. For fear of pernicious legislation the door was opened slowly and first a few bonds admitted. Immediately a great demand was created for these particular issues, with the effect that their prices were forced far above the comparative investment value. I do not desire to criticise the motives of those who were interested in extending the scope, for there were reasons then why it was inadvisable to admit too many bonds at one time.

Another feature must not be passed unnoticed, the law of supply and demand. We know the scope of Savings Bank investments is being enlarged from time to time as new securities become available under the law, and a large rise in bonds cannot be expected until the demand becomes greater than the supply. In considering values for the immediate future it is well to be optimistic. The over-extension of credit brought to an abrupt end by the October panic caused a decline in general business; hence, temporarily, easier money should prevail and does prevail; for how long, it cannot be said. A similar result occurred in 1903 and 1904. In 1904 high-grade investment securities advanced materially, to be followed by the fall in values between the years 1905 and 1907. Should history repeat itself, we will see an advancing market for at least a year or more, but the improvement will be slow. Confidence was badly shaken, and confidence is a thing of

slow growth, lost in a moment; months, nay years, are often required to restore it.

Perhaps it would be well not to assume bonds will sell again at the high prices reached in the past, for, if there be truth in the theory of an ever-increasing output of gold, Savings Bank securities may sell on a still higher income basis in the future. On the possibility that bonds may again decline, I would call your attention to the effect of such decline upon the surplus of the banks, and so to turn to the second part of my subject, "The Relation of Future Values to a Bank's Surplus."

On December 31, 1907, the Savings Banks of this State were (under the law since altered) obliged to determine their surplus by taking their security investments at the estimated market value. December 31st was two months after the panic, and prices then were practically the same as they had been in the July previous, and, furthermore, on the average, the fall in values between December, 1906 and 1907, and the rise since the last mentioned date have been small. This statement may seem astounding, nevertheless it is true, and I have the proof before me. It follows, then, that on December 31, 1907, bonds were not at panic prices. The crisis of the panic had passed, and an improvement in values begun. The point that should be emphasized is this: that, after securities have ruled at a certain level of price for a period of six or twelve months, it is time to recognize that their current quotations express their true value.

Gentlemen, is it not true that the great decline in high-grade securities has eaten into the surplus, if based upon market values? I fully realize that there are those who believe the surplus of a Savings Bank should not be based upon the market, which is ever changing, but with those gentlemen I beg to differ. I believe the surplus of a Savings Bank should be based upon the estimated market value of its assets. In fact, although opposed to making it a law, I favor greater conservatism, believing it would be better for a Savings Bank not to value those assets selling

above cost for more than their purchase price until sold, for, in doing so, it is crediting its depositors with profits before they are earned. In the future, if the banks were required by law (which I believe essential) to maintain a fixed percentage of surplus, such a process would increase it, and permit a bank to pay a larger dividend than it actually earned. A Savings Bank should not value those assets selling below cost above the market, for, if so, it is crediting its depositors with funds which do not exist, even on paper, and amortization at cost might cause this to be done.

Is it necessary to mark bonds up which have risen above cost, though still unsold, merely because it is essential to mark bonds down which are selling below cost? I hardly think so, when we realize that Savings Bank investments as a whole are of such high order that to a large extent their values rise and fall together. Why build up a surplus through a rise in bonds? One built upon such lines could easily be depleted by a corresponding decline. If securities were never valued above cost, the reported surplus would not be so ever-changing. Moreover, when bonds were selling at abnormally high prices the surplus in reality would be larger than what appeared on the surface, and would not this be an excellent automatic arrangement?

There are those who claim figuring the surplus on market values is unnecessary, presuming that all Savings Bank bonds will be paid at maturity. Mortgages have an average of three years to run, but many bonds have fifty. Why discount conditions so far ahead? If we keep our bonds at the market, every six months we will know whether our surplus be adequate. They also claim that depositors, as a unit, will not withdraw their money. For the present this is true. For the depositors have confidence in the Savings Banks of this State. But suppose at some future time there should be such a decline in securities that the banks found their assets not equal to their liabilities, and a deficit existed—imagine these

conditions to prevail long enough for the depositors to find them out! If one bank were in this condition, it would be proper for the Superintendent to close it, but conceive a situation where all the banks suddenly found themselves in a similar position. Of course we believe the trustees and the officers are not legally responsible. But is there no moral responsibility? The depositors are not told that if at some future date there be a decline in the market it might be impossible to pay all in full, yet, they, as a unit, expect to be paid in full, and, as a matter of fact, every one has been paid for years.

Should not a Savings Bank at all times, under all conditions, be in a position to treat depositors with equal consideration? Is it morally right to pay back the principal and interest to some during a period of depressed value and not maintain an adequate reserve, based upon market values, to safeguard the remainder? Who are the remainder? Men, women, the majority poor and ignorant, who, not knowing how to invest their money, have shown their confidence by leaving their funds in the care of the bank. Gentlemen, it would be better to reduce the dividend rate to two and a half per cent., and build up a surplus of twenty, then jeopardize the principal of these depositors, and I believe they represent seventy-five per cent. of the depositors of our banks to-day.

The law which has just passed our Legislature, providing in a manner approved by the Superintendent for the amortization or gradual extinction of premiums or discounts of securities, appears to me to be unwise. It does not follow the original recommendations of our Superintendent. It may operate to hide a deficit or destroy a surplus, but one thing it will never do—show the actual and true condition of a bank. For the law no longer exists which at stated periods compelled an institution to value its assets at the estimated market value. In the crisis of one of our panics I am a firm believer in the adoption of an emergency measure, but I do not believe in the enactment of an emergency law.

We know the Superintendent has the right to ask for a report of the surplus based upon market values, in order that he may learn whether a bank be solvent, but should so vital a matter be left to the discretion of the Superintendent? Should not the law make it mandatory for officers and trustees to keep themselves posted and furnish at stated periods to the Superintendent the amount of their bank's surplus? If they were not required by law to value their securities at the market, at times, some might be ignorant as to whether their assets were equal to their liabilities, and is not this knowledge essential, in order to treat depositors with equal consideration?

Once and for all time to mark off the premium on a bond, when purchased, is a form of amortization which is not perfect, because it destroys forever the opportunity to judge the true earning power of an institution for any six months' period. Amortization, as suggested by the new law, if used for the purpose of arriving at the true earning power of an institution for a period of six months, is an excellent plan, for there is no better way to figure the earning power of a Savings Bank than through this form of amortization, and I believe we would welcome such a law if reënforced by another compelling the banks to figure their surplus on market values.

The advocates of the present law claim that their plan would work automatically, bringing in the end the desired results, but ultimately they would be obliged to turn to market values to learn if the desired results had been obtained. Again the very condition of affairs which makes it possible to purchase Savings Bank bonds at a high income basis and offset those purchased on a low, while brought about by other causes, is partly maintained because the Savings Banks at such times have no money to invest. And by the time they are ready to invest the bargains may be gone. Even if some had money, human nature is such that I believe only a few would be disposed to take advantage of the conditions prevailing. Are we not all inclined to buy securities when high and sell them

when low? If the desired results were attained, I am sure it would take a great number of years to bring them about. How many bonds have been bought by the Savings Bank during the last twelve months, when bargains were offered?

The panic of 1907 and the long decline have brought us face to face with an interesting situation, so interesting that it warrants serious thought; for the great, unexpected decline in securities and the possibility of its recurrence, force us to contemplate a new phase in Savings Bank affairs. If there be truth in the theory of an ever-increasing output of gold, there may be another great decline in the future, and if there be no truth in the theory, is it not even then a mistake to remain idle in the hope that bonds will again sell at high prices, and adequate reserves be restored? Why not stop speculating as to the future? Is it not necessary for a Savings Bank officer, at times, to meet a situation as he finds it? Some guessing is unavoidable, but too much is fatal.

We concede the money belongs to the depositors, and that the maintenance of too large a surplus would be an injustice to them, for a Savings Bank should not be a stock company nor a money-making concern. All earnings above the maintenance of an adequate surplus should belong to the depositors. The fact, nevertheless, that there are no stockholders to hold liable, nor capital to fall back upon, is an excellent reason for maintaining an adequate reserve.

The Savings Banks differ materially from the national banks and trust companies. The sixty-day notice in itself annuls the necessity of a large surplus, but can it be said that a Savings Bank should have no surplus at all? No doubt in the past the reserve was adequate, for then we had no idea that Savings Bank securities could decline to so great an extent, but I am trying to call your attention to existing conditions and to future possibilities.

Properly to build up the reserve of the banks will require a reduction in dividend rates. This could easily be effected

if the banks would stand together and make their rate uniform. Under present conditions, I do not believe they would lose many deposits, and they certainly would not if the depositors knew the reason why the dividends were reduced; but what if they should lose? Can we doubt that in the end they would regain from bona fide depositors all they lost and more? The Post Office Savings Banks of Great Britain, backed by the government, to be sure, pay only two and one half per cent. interest, and have an army of depositors composed absolutely of the non-investing class. The amount of those deposits on January 1, 1906, was £155,000,000. Even though our Savings Banks are not Government institutions, is it not possible, and would it not be beneficial, for the State of New York, in proportion to its inhabitants, to strive for a similar result? There is a Savings Fund Society in another State which pays but three and one half per cent. interest, and has a list of 265,000 depositors composed almost entirely of the non-investing class. In the year 1907 this institution gained over 5,000 depositors, and increased its deposits over three and a half million dollars. Since January 1st it has gained two hundred thousand dollars in deposits. Even though we recognized the fact that it is one of only three institutions in a large city, nevertheless its record is a proud one.

Gentlemen, a Savings Bank is an institution for savings, and should resemble a safe deposit company more than a trust company. If we are to compete for trust company business, we had better become stock companies at once and enter the field fully equipped to succeed. If it be the ambition of some of our officers and trustees to be connected with the biggest Savings Bank in the State, naturally it must be their ambition to be connected with the strongest, and should not the size of a Savings Bank be measured by the number of the depositors rather than by the amount of its deposits? And should not its strength be measured by the amount of its actual surplus rather than by the amount of a false one obtained through amor-

tization? What are the functions of a Savings Bank? And for what purpose was it created? It was created for the sole purpose of encouraging thrift—saving—among the non-investing class of our population, and the rate of interest is a secondary matter. Is not its function to receive the savings of these people, to invest them with the greatest care, and to manage the affairs of the bank in such a way that the principal of all shall be to the best knowledge and belief of the officers and trustees at all times intact? Certainly this is the understanding of every depositor, whether he be intelligent or otherwise. Safety of principal—payable on demand—should be the aim of every Savings Bank officer and trustee. Unfortunately, in this great country of ours, owing to our defective currency system, we are visited occasionally by severe panics, and so we are forced to reserve the privilege of demanding a thirty, sixty, or ninety day notice, the purpose being to give our banks time to sell such securities as are necessary, and also to give time for the panic to subside and the depositors to recover from their fright. I look upon our sixty-day clause as I do upon the Clearing House certificates of a national bank, an unfortunate necessity. Yet I believe it to be essential that a Savings Bank should constantly endeavor to keep itself in a position to meet its liabilities, and be able to liquidate at the market, in a reasonable space of time, and remain solvent. Are circumstances such to-day, or can they occur in the future, as would compel us to depart from these fundamental principles? If so, I firmly believe it would result in the establishment of Postal Savings Banks throughout the cities of this State, and would signify a change in the whole system, with many new laws. The founding in this country of Postal Savings Banks, with the Government behind them, is not a dream. It is a probability. And yet I doubt if there be a man present who is anxious to see them established in the cities of this State. And too large a dividend will not keep them out, for if, by paying four per cent. and catering to the investor class, the

chances are increased of being forced to fall back upon the sixty-day clause, it would not take many experiences of this character before depositors would much prefer to place their money in the Postal Savings Banks, where it would always be payable on demand.

Gentlemen, can it be denied that considerable money drifted into the Savings Banks, especially in this city, which should have found its way into the trust companies and national banks? Several cases have been brought to my attention where individuals have had from $25,000 to $50,000 scattered among the banks of this State, and the people I have in mind were capable of investing their own money, and were much distressed during the panic, that they were unable to obtain their funds for the purpose of investment. Some of the individuals to whom I refer deposited their money two years ago when the Savings Banks, by paying four per cent., were offering to the public a better investment than could be obtained elsewhere with like security, and now the same individuals are withdrawing their deposits, principal and interest intact. Who are the losers? The remaining depositors. Such being the case, can it be denied that an adequate reserve is essential to protect them, and would a reserve based upon amortization at cost, regardless of whether securities were selling above or below, answer the purpose?

If the banks had been paying three and one half per cent. the public would not have been so anxious to deposit its money, but, by paying four per cent., they invited these people to do so. Can the public be blamed for taking advantage of such a golden opportunity?

Some banks claim they are earning over four per cent., and are entitled to pay four per cent. to their depositors. But how is it sometimes earned? Because the law does not compel them to maintain a fixed percentage of surplus. Suppose the two years' decline had been much greater and every bank in the State had a large deficit to-day; would it not be folly to claim that during those two years they had earned four per cent.? It would seem as though

a Savings Bank should decide upon, adopt, and maintain a fixed percentage of surplus, or at least know it is solvent, before it can consider earnings, and after this fact is known then and only then can it base its earnings upon amortization at cost. In the past a small surplus appeared ample, but when you remember the immensity of the decline, and the fact that it was entirely unforeseen, can we now maintain that five per cent. is too large? In the light of what has occurred, would it not be better for the larger banks to maintain even ten per cent.? In Pennsylvania the law requires the maintenance of a seven and one half per cent. surplus. In Massachusetts the law compels a Savings Bank every six months to set aside from net profits not less than one eighth nor more than a quarter per cent. of total deposits in order to build up and maintain a five per cent. surplus or a guarantee fund. And when ten per cent. is reached it must pay an extra dividend. Are you aware we have no such law in our State, and do you realize it is left to the discretion of the trustees to reserve such amount as they deem expedient? A law, similar to the ones existing in Pennsylvania and Massachusetts, should be enacted in this State, for the adoption of such a law would tend to prevent the recurrence of the situation which our banks were obliged to face in December. The fact that we shall be forced to pay a larger tax to the State is no reason to my mind why we should not have a law which compels us to maintain a fixed percentage of surplus to assist us in keeping our banks solvent.

The panic of 1907 is behind us, but has not the decline in bonds proved the truth of three things which in the past were considered doubtful? First: Savings Bank investments are not always free from great shrinkage in value. Second: Depositors will at times withdraw large sums of money. And third: Securities occasionally must be sold.

Gentlemen, we are entering upon a period of slow upbuilding and reconstruction, and the men needed to-day are the men who can rebuild, upon sound banking princi-

ples, the weak financial structures which fell in October; but let us not forget a panic exposes the weak spots in the strongest of institutions, and even the Savings Banks have not escaped this time unscathed. We should not lose sight of the fact that the banks have sustained during the past few years a continuous decline in the value of their assets, culminating in the panic prices of October. The failure to realize this protracted decline, and the earnest desire on the part of the banks to pay full earnings, have operated against the safety of the depositors' principal.

I am optimistic as to the immediate future, but, in writing on the financial outlook, I am forced to consider the ultimate future, and I believe we will again experience periods of depression with declining bond markets, until at least our currency and banking system has been improved, and when I realize the necessity of a Savings Bank remaining solvent, and, what is more, maintaining an adequate surplus to insure solvency, I am anxious to take time by the forelock and correct any weaknesses that may exist to-day. If the Savings Bank Law now on the statute books of New York State, forbidding the payment of over five per cent. dividends, were modified to establish a uniform rate not exceeding three and one half per cent. with permission to pay an extra dividend after the surplus shall equal fifteen per cent. of total deposits, I am confident that many puzzling problems would be solved; and I believe the law could be changed were the majority of the banks to favor it and exert their influence to that end; and if I am correct, why not change it? But, gentlemen, if the majority of you concur in the wisdom of reducing the rate of interest, why wait for the law?

If any bank has a ten per cent. surplus at market values to-day, it has the unquestionable right to pay four per cent., but should not this payment be carefully weighed, in deference to the interests of sister institutions, for a member of an association must concede there are rights, not enforceable by law, which, nevertheless, should be respected?

Gentlemen, there are many able men before me, and it is unbecoming in me, a stranger among you, to criticise. I assure you I have had no desire to do so, in fact, criticism is out of place, for no one can be blamed for a situation which could not have been foreseen, but, in attempting to read the future, we are compelled to consider present conditions and recall unavoidable errors of the past.

An interesting paper was read by Mr. Wm. J. Lovejoy, of the Fulton Savings Bank, on the "Insuring of Deposits."

THE THEORY AND PRACTICE OF SAVINGS BANKS

The following paper on The Theory and Practice of Savings Banks was read by Mr. Hanaman, President of the Troy Savings Bank:

When Mr. Van Rensselaer and Mr. Miller urged me to address you on this occasion, I had in mind the writing of a paper in which would be traced the development of the idea upon which our form (the Trustee Savings Bank) is based, giving an analysis, both of the theory involved and of the manner in which we have put that theory into practice, which would be as exhaustive as I could make it. Circumstances over which I have no control have prevented my doing this, and what I have to say to-day will be limited to pointing out one or two phases of our practice, which it seems to me are, to say the least, antithetic to our theory.

Our theory, or, rather, the theory of the Trustee Savings Bank, as I understand it, and as such writers as Prof. James H. Hamilton of the Syracuse University defines it, is that of an institution established by members of the well-to-do for the purpose of improving the condition of the poorer classes, and involves a self-sacrificing service on the part of a few in the interests of the masses. The method by which it is sought to affect the improvement attempted is that of encouraging habits of saving and

thrift among wage-earners, and those who are naturally inclined to be improvident.

A glance at the manner in which the laws which govern our work have had their origin most clearly defines the theory involved. Certain well-to-do citizens, actuated by a purely philanthropic motive, having offered to give their services to the public without reward or recompense of any sort, in the work of encouraging the small wage-earner, the laboring man, the clerk, the artisan, the mechanic, etc., to lay by for a time of need a portion of his daily earnings, which the said philanthropists would surely care for and cause, by most conservative investment, to increase in value by the addition to the original deposit of interest earned by the said investment.

The public, accepting this offer, has gradually caused to be enacted such laws as shall protect both the givers and the recipients of this service from the intrusion of others, who, under the guise of philanthropy, might be actuated by motives of self-interest; in other words, the public has locked the offer of the philanthropists in the iron grasp of the law, so that, in so far as the main features of the original offer are concerned, the Savings Bank Trustee has now no discretion, excepting within the hard and fast lines marked out for him by the public in the law.

On the other hand, the Savings Bank Trustee, as a member of the said public, has used his influence with the law-makers to prevent legislation that would jeopardize the philanthropic intent of the original offer. The result is that we have the philanthropic intent of the originators of this service reasonably protected by law, and more perfectly so in New York State than anywhere else in the country. But after all, the law is not our theory, and is not intended nor expected to do more than prevent any flagrant misuse of the money with which our trustees have been entrusted. Our theory should be the searchlight by which the path of duty shall be most clearly marked out and kept in view, and the intent of the conception which justifies the existence of a Savings Bank be most

effectively carried out. Our theory requires that we should not only safely invest the money with which we have been entrusted, so that the deposits shall increase in value, by the addition to them of the net earnings produced by such investments, but that this duty of receiving and caring for these deposits shall be performed in the interests of a certain class of persons—namely, those who need encouragement in order to develop and establish in themselves habits of saving and thrift; and of a class whose earning capacity is not greatly in excess of their daily needs.

It seems to me that no other influence can be logically drawn from the premises which justifies the existence of our institutions than that they are intended for a single class of persons, and that all other financial needs of the community are amply provided for by the commercial banks, to which our institutions are positively antithetic, both in conception and function. How about our practice? We have not violated the law, perhaps, but have been impelled by a desire to reach the class of citizens who, according to our theory, furnish the only justification for the existence of our institutions. Have we not been impelled too much by a perhaps unnatural desire to see our institutions grow, without any particular regard as to how that growth has been attained so long as we did not infringe the law? Have we not measured the success of our work more by the amount of our liabilities than by the number of people among our depositors who belong to the class for whose benefit our theory declares it to be our whole duty to labor? But many will probably say, and a majority probably think, that such a state of affairs is rather to our credit than otherwise, for, say they, do we not show the true spirit of altruism if we extend the gift of our service to all who are willing to accept it?

There might be no objection to such freedom in our philanthropy if it did no harm to the interests of those who most need our service and for whose particular benefit that service stands. That such excess of generosity on

our part has not been wholly free from harm to the higher interests of those who may be called the legitimate Savings Bank depositors is a point to which I desire to call your attention.

I have heard some hard things said in this room about the injustice of the franchise tax, and I remember that at the last meeting of this Association, at which we were privileged to have with us my friend the late John Harsen Rhoades, of hearing Mr. Rhoades tell us that, in his opinion, the franchise tax is, from the standpoint of the citizen, an absolutely just tax, and I most heartily agreed with Mr. Rhoades in that statement. The franchise tax bill was based on the assumption that not less than thirty per cent. of the depositors in the Savings Banks of the State were people who had reached a plane of prosperity which justly demanded their sharing the burden of the State's expenses, and while I agree with Mr. Rhoades's statement that this tax is a just one from the standpoint of the citizen, I regretted, as I know he did, that seventy per cent. of our depositors, who should not be discouraged in their attempt to become, by our aid, thrifty citizens, were thus compelled to bear this burden, and all because we had inadvertently made use of a standard, in measuring the success of our work, which formed no part of the theory upon which logically our right to exist as a bank is based.

Now, if it is true, as I think it unquestionably is, that because of our strife to excel in bigness, without due regard to our mission, the franchise tax is justifiable, it seems to me that this same cause of offence to our theory has worked another injustice to our legitimate depositors, viz.: If we place the amount on deposit in the Savings Banks of the State at, in round numbers, $1,000,000,000, we find that thirty per cent. of that sum is $300,000,000. Now, our investments are restricted to certain clearly defined classes of securities; and we all admit that there are other securities of a conservative character quite equal to those that have been selected, outside our lines of re-

striction. A comparison of the selling value of one class with the other, during times of prosperity, will show how far short we have come of earning all that we might have earned for our legitimate depositors, had we restricted the total number of our depositors somewhat nearer than we have done to the class required by our theory, for supply and demand regulate the price and earning power of our investments.

Furthermore, when the market is rapidly declining, those of our depositors who are accepting our free service for their own convenience rather than from their needs kindly repay us by making large withdrawals in order that they may take advantage of the times, and make their own investments, and their action, being misconstrued by the legitimate depositor as being due to a loss of confidence, will frequently cause him to withdraw his money also, with a result which is not infrequently to his disadvantage and loss. There is one other point I would like to make and then I am done. I heard a sermon a good many years ago by the famous Rev. Henry Ward Beecher, in which the preacher used words to this effect: "Men and institutions will always be regarded by the public as being just what they look like," and then Mr. Beecher pointed out the importance of making a truthful impression upon the public mind, relative to ourselves and our work, if we desired to attain lasting success in this world. As a matter of fact, you do not have to talk many minutes nowadays with a citizen of average intelligence to find that he is utterly ignorant of the fact that our Savings Banks differ in their conception or organization and business methods from the commercial banks, excepting that they are considered somewhat safer; he does not know how or why, and he is very much surprised to be told that they have no stockholders; that the services of their trustees are freely given to the public, and that all their net earnings accrue to the sole benefit of the depositors. And when a time of panic comes, a time when the security of the Savings Bank depositors should not be questioned,

and would not be questioned if rightly understood, we find that these institutions share more or less with other banks the loss of the confidence which so often brings disaster to the community.

Why should such a state of things exist? Is it not in a large measure due to the language used by the majority of the Savings Bank men in their conversation about our institutions and in their advertisements? I quote from an advertisement of a Savings Bank, which is not unlike many I have seen, and which reads thus: "Interest at three and one half per cent. *paid* (italics mine) on deposits of $3,000 and under." Other Savings Bank advertisements may not infringe the spirit of the law, as this one does, by naming a rate of interest, but to offer to pay interest *per se* for deposits, at once, it seems to me, aligns the Savings Banks so advertising, in the minds of the readers, with the commercial banks, which desire to sell their services to the public for the benefit of their stockholders and not, as is the case with the Savings Banks, to give a service to the public.

Now, I am not theorizing. I have had the temerity, during the past twenty years, to test in a practical manner the points to which I am directing your attention. In regard to the matter of discriminating between the class for which, according to our theory, we solely exist, and the investor, tax-dodger, and others who desire to use our institutions for their temporary convenience. I have frequently been told that it is practically impossible to keep out the latter.

Well, it is not easy, and perhaps it is impossible to wholly eliminate the intruder, but it goes without saying that if we make no effort in that direction we certainly cannot get rid of him. The $3,000 limit is not a success in this regard, as we have already shown, but I have found it practically possible to limit the number of that sort of depositor by very simple means.

In every Savings Bank, when a new account is opened, certain questions are asked and recorded for purpose of

identification, and among these questions is one relative to the occupation of the depositor. The answer to this question usually gives the key to the situation, and one or two leading questions will draw out information, more or less voluntarily given, which will enable us to class the individual without trouble.

In regard to the use of commercial language at the counter and in our advertisements, it seems to me that by the use of such language we are not only inviting the class of persons to become depositors who are not contemplated by our theory, and whose presence is detrimental to the best interest of the legitimate depositor, but we are discouraging the latter from saving as much money as he would otherwise do if we used language which would discourage unnecessary withdrawals.

Let me give you from personal experience an example of what I mean. When I have explained to a depositor that his interest had been deposited to his credit, and had become a part of his interest-earning principal, in more than one instance the reply has been: "Then I don't want it; I thought I had to draw it to get it; I don't need it now."

It has not been my purpose, as I said in the beginning of my remarks, to do more than to indicate, for your consideration, certain points in practice which I think are working against the successful achievement of the purpose for which our institutions have been established.

I ask you to think well of what I have said, and not too hastily put aside the points I have tried to make, for I believe that the time is not far distant when their importance will be forced upon us, as has recently been the case with the principle involved in the amortization of our security values; a principle long recognized by a few, but very slowly by many, and I fear not yet fully by the majority.

Mr. Stevens: I hesitate to say a word because there are so many gentlemen here of riper years who have had more experience in Savings Banks, although as a practical

worker in such institutions I have had considerable experience. It does seem to me that the paper read by Mr. Rhoades deserves the thanks of the Association, and I believe it represents to a considerable extent the feeling of many Savings Bank officers and trustees throughout the State in its treatment of the question of the amortization of bond investments. This question appeals to me so strongly that I feel obliged to say before the Association something in regard to the matter. The principle of amortization undoubtedly must be followed to get at the earning capacity of a Savings Bank, but it would be manifestly unfair and unwise to compel banks which have succeeded in reducing the book and market value of their bond investments to present market values, thereby marking off much more than enough to properly amortize their investments, to reinstate these bonds on an investment basis of many years ago, which was largely artificial and will probably never return.

I think that there are many Savings Bank men present who agree with me; and, hearing, as we have, from a gentleman who has had large experience in bond investments and who has placed this matter so forcibly before us, it is a question which deserves our careful thought.

Mr. Maynard: May I say a word on what the gentleman has just said? I believe there is a very strong sentiment among members of this Association against the Savings Bank taking the amortized value of its securities. We all agree that it is a proper bookkeeping method to arrive at the actual earning capacity of the bank. The Brooklyn Savings Bank, of which I am an officer, has an actual surplus on market value at the present time of about the sum of $4,300,000. We will be compelled to report to the department on the amortized value that we have a surplus to-day of $6,000,000. We could not realize that sum if we sold our bonds. We simply are misleading the public, if those figures get to them, and they will through the department, because those figures are published and commented on in the press annually.

As has just been called to my attention by Mr. Felsinger, New York Central bonds have been purchased by us at as high as 113, and to my knowledge as high as 110. They can be bought at 89 to-day. Are we to put those in our statement as to what we actually own at 110 or 113? Now it seems to me that the only real object of making the report is to state to the department and the public the actual condition and the soundness of the institution. Therefore, I say that it is highly improper from a business standpoint for us to state that we have a surplus of $6,000,000, when if we sold the stock, we could only get $4,300,000 for it.

Mr. Stevens: May I be heard once more? We have with us to-day a gentleman (Mr. Rhoades) who I believe can give information to any of the Savings Bank men present who have any uncertainty in their minds in regard to this matter, and also the Superintendent of Banks, who can hear expressions from a great many Savings Bank men on a matter of such vital importance.

Amortization based on the original extremely high purchase prices, existing from one to fifteen years ago on bonds running fifty or more years into the future, would largely over-value the assets, increase the surplus, and decrease the earning capacity of the institution. It would place the banks on an inflated and unfair basis which would not truly represent the present actual conditions of the banks or prices of their securities—it would deceive the depositors and public generally, compelling the officers to swear to a valuation of assets perhaps in accordance with law but inaccurate as to present actual conditions. I know a Savings Bank that holds $100,000 Chicago & Alton Railroad three per cent. bonds for which they paid 90½; that is $100,000 bonds at par that cost $90,500. That bank has written the bonds down on its books to $82,000, and can sell them to-day for about $75,000. A scientific amortization of the bonds would compel the bank to increase their value on its books roughly $200 a year. Actually the bonds have gone down thousands of dollars.

It seems to me inevitably true that the present market value of our securities is the only reliable test of a bank's solvency, and that it cannot be otherwise.

Mr. Coombs: The idea of estimating the value of our securities upon the amortization basis has its origin in the hypothesis that all of the investments in bonds are permanent, and that they will be held by the institutions until maturity. It also assumes that our deposits are permanent, or, in other words, that we accept the deposits, invest them, pay over the interest as earned to the depositors, and the principal at the maturity of the bonds in which they are invested. If this were true it would very much simplify the work of the institutions.

Unfortunately many of us have during the past four months realized that deposits are far from permanent, and that such bonds as have been sold to meet drafts have been worth their market value. If the withdrawals had continued, resulting in the liquidation of the banks, our ability to pay would have depended upon the price at which we could market our securities. The provision enabling us to require notices of withdrawals, which is a perfectly proper one, would probably extend the period for liquidation for a year or more.

I appreciate the injustice to the institutions in the requirement that the values should be stated as those existing on the first day of July and the first day of January, at which periods, for various reasons, the conditions of the bond markets are abnormal. If it was provided that the prices should be based upon the average price during the preceding six months it would be much fairer and safer. The law requiring us to give the amortization values has been passed, and will be observed, but I insist that at the same time the reports should contain a statement of the market values. The remark of Mr. Maynard, of the Brooklyn Savings Bank, that under the amortization plan their surplus would be increased from $4,000,000 at market value to $6,000,000, as well as the calculation made by the cashier of the South Brooklyn Savings Insti-

tution, that our surplus of $1,848,919 at market value would be increased to $2,800,000, seem to me to be unanswerable arguments. We cannot afford, on account of the unfortunate conditions that have prevailed during the last year, to adopt policies that lead to an overestimate of our strength. The fact that during the period of stress every Savings Bank in the State has been able to meet its obligations is proof that they do not need any artificial props to insure their solvency.

Note: Mr. Wm. F. Patterson was elected Secretary of the Association in 1908 to succeed Mr. Wm. G. Conklin, who had declined a reëlection; in the following year Mr. Jonathan B. Currey was chosen to that office, and in 1910 Mr. Frederic B. Stevens became Secretary.

CHAPTER XVI

Sixteenth Annual Convention—Address of President Miller—Election of Mr. Thomas F. Mulry, of the Emigrant Industrial Savings Bank, New York, as President—Addresses by Edgar J. Levey, John A. Johnson, President of the Savings Bank Section of the American Bankers' Association; Clark Williams, Superintendent of the Banking Department, and Mr. E. P. Maynard.

THE Sixteenth Annual Convention was called to order in the rooms of the Chamber of Commerce, New York City, on Thursday, May 27, 1909.

ADDRESS OF PRESIDENT MILLER

In opening the proceedings of the Convention, Mr. Miller said:

Fifteen years ago, when we held our first annual meeting, the Savings Banks of New York State had in their care deposits amounting to $17,089,448.98. To-day the amount due on deposits is $1,396,443,327.78. We could congratulate ourselves unreservedly on these figures as showing a healthy growth if these increased deposits represented altogether the savings of the thrifty poor. That this is not entirely the case, we who know actual Savings Bank conditions do not need to be told. During these fifteen years the average size of our accounts has risen from $389 to $510, and while part of this increase is due to the constant addition of dividends to accounts which are otherwise undisturbed, we all know that part of it is due to the deposits with us—especially during periods of cheap money—of funds which are in no sense savings, by persons who ought not to be Savings Bank

depositors. Perhaps the heavy withdrawals which accompanied and followed the panic have had a tendency to make us welcome new deposits, no matter what their source. Still, even in that connection, it is worth while to consider whether the large deposits which represent investment rather than savings are not a source of weakness rather than of strength in any period of stress. I hope that some day this Association may undertake the task of devising a plan to keep out undesirable accounts. Its ultimate failure to do so, will result, I fear, in the task being undertaken by the Legislature.

The Mutual Savings Bank differs fundamentally from every other business enterprise. The underlying principle of all business is, in a way, selfish. The directors of railroads and banks and manufacturing enterprises are all financially interested in the success or failure of the business which they direct. Usually they represent a large portion of the capital invested. Even in the case of mutual life insurance companies, the trustees are policy holders, and have to that extent the same financial interest as the other policy holders.

In the management of a Mutual Savings Bank, however, selfishness or self-interest has, theoretically, at least, no place. Our trustees cannot be depositors. They cannot borrow of the bank. For nearly a century we have been giving a practical demonstration of altruism in business, and I think we may safely claim to have proved that unselfishness can go hand in hand with good business management.

So far as we continue true to our ideal, so far as we think only of the good of classes in our community which we were created to serve, so far will our success continue. The moment, however, when we managers of Savings Banks begin to consider, consciously or unconsciously, our own interest, then danger to the whole system will arise. Conscious self-seeking among us is unlikely to be troublesome. I suppose none of us to-day would be influenced by personal consideration in selecting investments or in designating depositories for our funds.

Unconscious selfishness, however, is very insidious, and doubly dangerous. The desire for legitimate growth is proper. Each of us wishes to do his full duty in the community. If those who have never saved can be induced to begin, if those who saved little can be persuaded to save more, the result is beneficial to them and the community, and the resulting increase in deposits a matter of proper congratulation.

Every other increase is undesirable, and if we strive for it, if we compete for investment deposits by too high interest rates, or by undue advertisement, we are actuated, consciously or unconsciously, by selfish motives. The pride which makes us wish to outstrip our neighbors in size is essentially selfish. It may be proper to use the money of our frugal depositors to teach and induce others to save, but to use it to attract the idle funds of persons of wealth cannot benefit those to whom it belongs, and if the result gratifies our selfish pride, it does so at the expense of our usefulness as instruments for good.

Competition is the life of trade where trade depends on selfishness as a motive force, but competition is out of place when the motive force is altruistic. In my opinion the greatest service which could be done to the Savings Banks of this State would be to awaken their officers and trustees to a consciousness of the essential solidarity of the Savings Banks system; to make them realize that we are not one hundred and thirty-eight institutions, any one of which may gain at the expense of the others, but really one hundred and thirty-eight branches of the same institution inseparably bound up by a community of interests and of motives, so that the gain of one is the gain all.

I feel it my duty to call the attention of the Association to the proposed amendments to the Constitution of the State, the adoption of which will result in a considerable extension of the debt limit, not only for New York City, but for the cities of the third class as well. Unless vigorous opposition manifests itself, gentlemen, this amend-

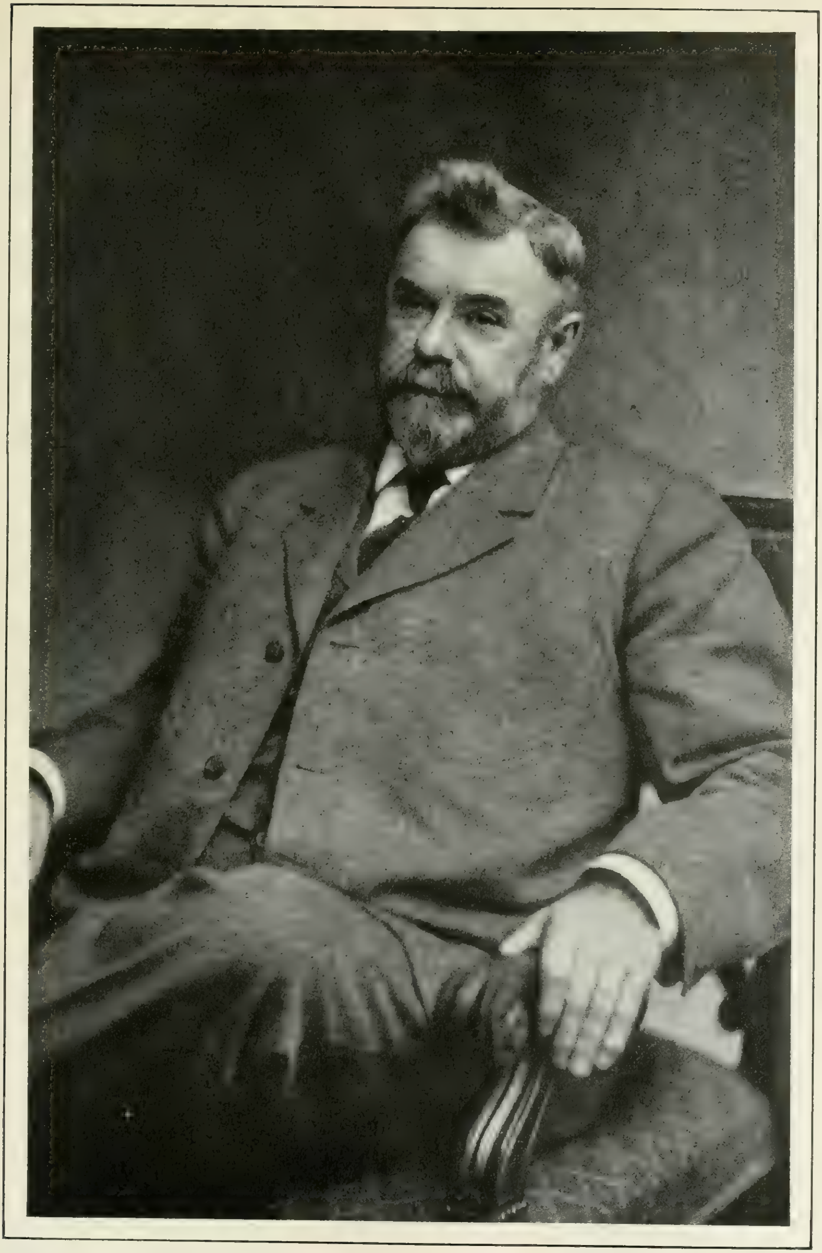
ment will go by default. To my mind no class in the community is more interested in the defeat of this project than the depositors in our Savings Banks. We invested in New York State municipal securities with a distinct understanding of the constitutional limits placed upon the municipal debt. Those limits were already distinctly more liberal than was considered safe in the cities outside of the State, as the legislation restricting our investments in foreign municipal bonds shows. To extend these limits further, and permit a much larger debt than we counted on when we made our investments, is, to my mind, very like a breach of faith. While such a course may not, and probably will not, result in a failure to pay the principal and interest on our city bonds, it must result in a depreciation in their market value which we ought not to be called on to face.

In conclusion, gentlemen, I wish to express to this Association, and to you my colleagues, so much as I can express, my gratitude for the high honor which you did me a year ago—an honor far exceeding any other which has ever come to me—and to pledge to you that the expiration of my term of office will not diminish my interest in this Association nor my work in its behalf.

The President-elect, Thomas M. Mulry, of the Emigrant Industrial Savings Bank, New York, was then escorted to the platform. He said:

Fellow-members of the Savings Banks Association of the State of New York: Like the retiring President, I feel this is the greatest honor which has ever been accorded to me; and, while I appreciate the honor very much indeed, I also appreciate the fact that it is not meant to be personal to me, but as an acknowledgment of the high standing of the institution over which I have the honor to preside.

I also think, with our retiring President, that there is enough presidential timber in this room to go around, and



THOMAS M. MULRY

PRESIDENT, 1909

I believe he has established a very wise precedent when he has insisted on only serving one term. Before having a second term offered to me, I mean to tell you now that I will be satisfied with one term, and will only take one term.

I do not intend to say very much, because I believe that the time for a man to do his talking is when he is leaving office, so there will be nobody to come back at him afterward.

At a meeting of the Executive Committee held March 18, 1909, Mr. William P. Sturges, President of the Dime Savings Bank of Williamsburgh, was elected to the Executive Committee to fill the vacancy caused by the death of General Meserole.

ADDRESS OF MR. EDGAR J. LEVEY

Mr. President and Gentlemen of the New York Savings Banks Association: The Savings Banks of the State of New York own nearly $150,000,000 of New York City bonds. This represents just about one fourth of the city's net funded debt. It also represents nearly one tenth of the total assets of the Savings Banks. No other creditor class holds anything like so large an amount of the city's obligations, and, with the exception of real-estate mortgages, no other one class of security is held by the Savings Banks to anything like the same extent. The relation of debtor and creditor between New York City and the Savings Banks is therefore one of unusual intimacy and importance, and neither party to this relation can afford to remain indifferent to the attitude and the policies of the other. If the credit of New York City should become seriously impaired, and the market value of its bonds should continue to decline, such a misfortune would materially affect the financial condition of Savings Banks. And, on the other hand, should the Savings Banks, from motives of prudence, decide in the future not to be-

come purchasers of city bonds, or to purchase them in much smaller quantity than in the past, the deprivation or restriction of the city's best market for its bonds would influence its fiscal operations in no small degree.

It is only within recent years that any serious discussion has been heard concerning the intrinsic merits of New York City's bonded obligations. Previously, their merits had always been taken for granted. With a limited output and a constant demand, these bonds far outranked in popularity and in price the most gilt-edged railroad bonds, and their fluctuations were mainly a reflection of the ease or scarcity of money. More recently, however, a greatly increased supply has been coincident with a reduced demand, due partly to the legislation enlarging the scope of Savings Bank investments, and partly to a change in the method of raising State revenue, which rendered these bonds no longer available to trust companies as a tax-exempt security. Owing to these and to other causes, to which brief reference will be made, New York City bonds have depreciated enormously. In order to measure the full extent of this depreciation, it is not necessary to go back more than twenty years. In 1889 New York City sold about nine millions of dollars of two and a half per cent. twenty to forty year consolidated stock at prices ranging from par to 101½. This represented the high-water mark of New York City's credit. In 1907 the low-water mark was reached, when four and a half fifty year bonds sold at a shade over 102, or on a 4.39 per cent. interest basis. By coördinating and comparing these two sales, it would be found that the price which the city was made to pay for the use of money had increased in the interim about seventy-seven per cent. An examination of the prices realized by the city for its bonds in the last twenty years shows that the depreciation has been gradual, but substantially constant. It is true that depreciation in the value of municipal bonds has been a world-wide phenomenon; but in the case of New York City this movement has acquired a peculiar significance because

of the fact that whereas in former years the bonds of the metropolis commanded a higher premium than those of any other city in America, this distinction has not been wholly lost. In fact, it is not only the bonds of other large cities, like Philadelphia, Baltimore, Cincinnati, Minneapolis, and Buffalo, which are sold on measurably better terms than those of New York, but the same is also true of many small towns and villages.

Conditions affecting the price of city bonds—conditions of all kinds—market or natural conditions, legislative or artificial conditions, and political or sentimental conditions—are so different now from what they were twenty years ago that the comparison with the sales of 1889 possesses little more than historical interest. The practical banker of to-day is more concerned about the future of New York City's credit than its past. And as to the future, there are in plain sight to-day influences which to the thoughtful are disquieting. It is not that any holder of New York City bonds has cause to-day to fear the loss of either principal or interest if he holds his bonds to maturity. Such a possibility is entirely too remote for serious consideration. But *ad interim* marketability is a factor which influences most investors, and even where investment is of such a permanent character as it is with the Savings Banks, the element of marketability and marketable prices cannot be ignored. The student of municipal finance, undertaking an inquiry into the causes of the decline in New York City's credit, as measured by the selling price of its bonds, would first be struck by the abnormal increase in the city's debt in recent years. On January 1, 1898, the date of consolidation, the net funded debt of the city was $232,248,785.89. On May 1, 1909, the net funded debt was $603,187,850.87. During the ten years preceding consolidation the average annual issues of consolidated stock were $12,289,480, which, with an average population of 1,750,010, amounted to $6.99 per capita. The average annual issues of corporate stock since consolidation have been $45,150,907, or $11.94 per capita. These figures

are impressive, but not necessarily alarming. Every intelligent observer knew that consolidation would inevitably bring about some such result, and if the extent of the increase of the city's indebtedness has somewhat outrun expectations, there is still no question about the city's ability to care for its existing indebtedness. The really disquieting feature in the present situation is the proof which is to be found on every side that the city's recent financial excesses have superinduced a flippant attitude of irresponsibility on the part of the public and a large part of the public press toward the question of the city's obligations. The constitutional amendment enlarging the city's debt limit, which is to be voted on by the people next fall, was opposed by the Chamber of Commerce with practical unanimity, and for reasons which appealed to the common sense of every conservative man. It subsequently passed the Assembly by a vote of 126 to 13, largely, if not mainly, because of a skilful appeal to prejudice made on the ground that its passage would strike a blow at the so-called "traction interest." It seems likely to be adopted next fall by a popular vote in somewhat similar ratio to the New York City majority, for it will probably be obtained by creating a vague impression in the minds of many voters that its adoption means "sending the traction thieves to jail," or restoring transfer privileges on the surface railroads, or providing free rides on some new municipal subway.

Few realize the extent to which the constitutional barrier to excessive municipal debt has been weakened in recent years. Soon after consolidation the Constitution was amended so that the counties comprised within the territorial limits of the City of New York should not be counted in estimating the city's debt. Under this provision every twenty-one million dollars of county debt—which is, of course, a debt of every citizen of New York City—is now excluded. In 1903 the law regulating the city sinking funds was amended so as to bring about a reduction in the provision made for the redemption of

the city debt, which now amounts to about $15,000,000 annually. In itself, this amendment to the law was justified; but taken in connection with the breaking down of the constitutional barrier, it has helped to accentuate the growing weakness of the city's financial position.

By the constitutional amendment which took effect on January 1, 1906, all indebtedness incurred by the city for water purposes subsequent to January 1, 1904, was similarly excluded. Under this provision about $40,000,000 of water bonds are now excluded in computing the city's debt limit, and the enormous bond issues which the city will have to make for the new Catskill water supply will be —for constitutional purposes—as though they did not exist. But for every practical purpose, this new forthcoming water debt will produce its full effect upon the finances of the city. These bonds will have to find purchasers, and the principal and interest of them will have to be raised by taxation. And now it is proposed to exclude from constitutional computation additional classes of city bonds, presumably to the end that the city may build subways of such an impracticable and unprofitable character that private capital cannot be induced to touch them.

The flippancy with which the constitutional debt limit is treated by a part of the press leads me to wonder why it was ever incorporated in the Constitution. If it is not to be allowed to operate when the shoe pinches, of what use is it? At other times it is unnecessary; and it would seem that at the very time when its provisions can take effect and become of practical value, then it must be stretched—and restretched again, as often as new opportunities arise.

It has now become quite a commonplace remark that the present is an age of social unrest. One of the most seductive, and therefore one of the most dangerous, political movements of the day is that which passes under the name of municipal socialism. This movement, by the alluring promises which it holds forth of improving social conditions, has enlisted the support of many philanthro-

pists and well-meaning reformers. There are also others, whose past records have not been so distinguished by altruism, who have been attracted to municipal socialism because of the obvious advantages which it affords of becoming charitable and public-spirited with other people's money. Its real political strength lies, of course, in its menace to property rights and in its promise of giving to one man the fruit of another's toil; but this menace and this promise are concealed beneath a smiling and benevolent mask of humanitarianism. Of the many aspects of this movement, there is only one to which I wish now to call your attention, and that is this: municipal socialism involves public expenditures on a scale so vast as to make the budgets of the past seem insignificant in comparison. These gigantic expenditures mean either a crushing burden of taxation, felt immediately by incorporation in current tax levies, or postponed in part by public borrowings. The latter is the method sure to be preferred by municipal socializers; because higher tax bills spell higher rents; and, slow as the average rentpayer is to appreciate that he does pay taxes in the shape of rent, sooner or later the truth is apt to dawn upon him that there is no profit in a man's trying to lift himself up by his own boot-straps. But in the case of public borrowing the evil day of reckoning is postponed. The voters of New York City think very little of the loss of a million dollars a year in operating the municipal ferries, because the loss does not appear in the budgets, but is concealed in the bond transaction of the Dock Department. And in like manner those gentlemen who insist that our future subway construction should be undertaken solely with a view of its social consequences—such as a pre-planned distribution of our congested population—and not at all from the standpoint of profitable or self-supporting operation—these gentlemen count upon concealing the economic effect of their social experiments by a profligate use of the city's credit.

But in one sense these gentlemen are counting without

their host. The sale of city bonds implies buyers for them; and the question of price is also involved. The attractiveness of utilizing the city's credit when the interest rate on its obligations was two and one half per cent. is diminished when that rate becomes four per cent., and as that rate continues to rise, the popularity of its use—or rather abuse—will decline correspondingly. How will you gentlemen controlling the Savings Banks of this State regard a doubling, or a trebling, of the city's debt? Is it not true that the excesses of municipal socialism are likely to be regulated and controlled to no small extent by the increasing unwillingness of investors to buy municipal bonds?

So much nonsense has been spoken and written on this subject in the last year that it is a special pleasure to be able to call attention to a remarkably able series of editorials which have recently appeared in the New York *Times* on this subject of the city's credit. In one of these editorials the writer, answering the question, why the city's credit is suffering, says: "The reason plainly is that the city is not a good moral risk, in the language of the insurance companies. It is demeaning itself in a manner which would cut off the credit of any borrower at a bank. The city's credit has not yet been stopped, it has merely reached the stage where lenders are in effect saying to it, as an old bank officer once said to an impetuous borrower: 'You will get yourself into trouble, young man, some day, if you sign your name so easily as that.' The city is signing its name too easily, and is proving that it is doing so by the mental, as well as moral, attitude it assumes toward the assumption of its obligations."

And then, referring to the passage of the constitutional amendment, the writer proceeds to ask:—in regard to which, by the way, I was so glad to hear the retiring President refer in the terms that he did: "Can it be assumed that the holders of the city bonds, the probable grantors of the city's further applications for accommodation, take a similar view of a movement which detracts from the value

of every bond now outstanding? The law requires only a popular vote to authorize such action, but ought there not to be some perception of a moral obligation to consult the holder of outstanding bonds which were taken upon the faith of the limitation, perhaps to be repealed? The legal answer to these questions will be given at the polls. The financial answer will be given in the private parlors of bankers, and in the thoughts of such individuals as buy bonds. Who will buy a city bond because of a popular majority in favor of extending the constitutional limit upon the city's borrowing power? The bonds to be excepted from the constitutional limitations remain outstanding and are the city's obligations. Every lender capable of adding will combine the excepted and the included bonds, and find the total of the city's financial burdens, and will take note that the city is evading a limitation which has approved its necessity by the very fact that, being reached, it is not obeyed, but repealed."

ADDRESS BY MR. JOHN A. JOHNSON

Mr. John A. Johnson, President of the Peninsula Savings Bank, of Detroit, Mich., and President of the Savings Bank Section of the American Bankers' Association, addressed the Convention as follows:

When your President invited me to be with you to-day and incidentally hinted that it would be in order for me to at least make a passing comment on some pertinent subject, I confess to serious hesitation. I possess none of the gifts that would warrant my taking the time of so prominent and so experienced a body, fearing at best that I could not interest you; but, on second thought I realized that the invitation was not extended to me as an individual but rather as the President of the Savings Bank Section of the American Bankers' Association, and this courtesy of your favor must be acknowledged. I am here to do this in person, and since the opportunity has been given, to in-

cidentally beg your serious consideration of a question that is now claiming the attention of our body, and also that of every thinking and progressive banker.

I have been a member of the American Bankers' Association for a number of years, but until I became interested in the Savings Bank Section I was disposed, like many of your members, to regard the meetings rather in the light of a pleasant junket with delightful associates than as a weighty business proposition. As I took up the section work, I became more and more impressed with the great task ahead of us, with the power at our command, and with the necessity of our using that power in leading the work of bettering Savings Bank conditions, and not in being led by people who know little or nothing about the requirements of the situation. The first thing to attract my attention was the lack of uniformity in Savings Bank laws and conditions, and at my suggestion two years ago a Committee was appointed to investigate the situation and report. Up to date this is what they find:

Eighteen States which have no Savings Bank laws; eight States where stock banks may be organized with separate departments for commercial and savings business; a few States, notably New York and the New England States, with Trustee Savings Banks, and one (Ohio—new) providing for commercial, savings, trust, and safe deposit business; another, California, providing for commercial, savings, and trust business; this latter modeled in its most prominent features after your own law, with a suggestion or two from Michigan, and the remainder with practically no restrictions or regulations.

While this investigation was being made, our Committee worked most industriously to lay the foundation for improvements to follow, and they feel rather proud in having assisted several States in some one of the several features we considered desirable, planting seeds for the better fruit to follow. This brought us up to the second stage of our work, and before we could proceed it became necessary to define what is a savings deposit. In the early

days of your history you had no difficulty in determining this. Your institutions were purely philanthropic, managed by broad-minded and experienced business men, who, as a civic and patriotic duty, took upon themselves the trusteeships of the provident members of the community who had neither the judgment nor the experience with which to invest their savings, and not unfrequently the necessary amount to handle to advantage. In the wisdom of these long-headed predecessors of yours, they limited the amount, but as this country became more populated and its wealth increased, changed conditions naturally followed, and herein lies the problem of the hour, second not even to the currency question. What do we find?

According to figures carefully prepared by our Secretary, the total savings deposits of the United States aggregate $5,560,837,016, of which $3,660,553,945 is in 1,453 exclusive Savings Banks; $1,568,720,391 in the State banks, Stock Savings Banks, trust companies, and private banks (estimated in number at 15,000), and $331,562,680 in the savings departments of national banks, to which in my opinion many millions more could be added for time certificates of deposit that are clearly savings, to which as evidence of the further thrift of our people may be added three quarters of a billion in the building and loan associations, and hundreds of millions in the different life insurance companies, both of which are not taken into consideration in this data.

What should be done with this vast sum belonging, it is safe to say, to probably twenty millions of people, and how can we best safeguard their interests? The Sage of Lincoln says, "By guaranteeing the deposits." I think you will agree that this is clearly an appeal to the masses for their votes, and as it has been said, "Not in the interests of the people." The Administration insists that the Postal Savings Bank would be a potent factor in the solution, and while I have not the slightest fear of the competition created by its establishment, yet I question not only the desirability but the practicability of any plan yet sub-

mitted. Each of these questions being prominent in itself, I will pass on without further comment, other than to say that we must meet this popular cry. The mere fact that we have protested publicly and otherwise against both of these prominent features is not sufficient to convince the masses of their undesirability. We must give them something as good or better, and prove it to them. What form should this take?

Naturally you will say that there is but one proper depository for savings, the trustee, or mutual, bank. In settled communities like New York and New England this may be true, but in all sections this is not even feasible, and since we find a condition and not a theory, it is our bounden duty as bankers and as citizens of this great country to make the best of it, to safeguard in every possible way the trust funds left in our care, and to assist those who have neither the experience nor the wisdom of you gentlemen, in bringing about a better condition. Frankly, I find a woful lack of unanimity as to the remedy. Leaving out the trustee feature which I think you will agree cannot be taken advantage of universally, we find the Stock Savings Bank men claiming exclusive privileges in denying any savings rights to the national bank or to the trust company. Possibly they are right, and yet these institutions receive savings deposits sometimes openly and sometimes as "interest" deposits, and the masses are not able to distinguish either the depository or the security offered by them. That this condition exists is clearly evidenced at your own doors. Your most efficient Commissioner, Mr. Williams, calls attention to it in his report for 1907, and repeats it almost verbatim in 1908. Let me quote by way of emphasis:

"It was evidently the original legislative intent that the different classes of financial institutions should confine their public service to their own particular spheres. Lack of clear differentiation between the functions of each class and confusion as to the statutory limitation have prevented the holding of these institutions strictly within the original lines of their intended activity. As a result,

the encroachment of one upon the legitimate field of another has ensued. It was not the original legislative intent that the trust company should engage in commercial banking, trespassing upon the field of the bank of discount. It was not the original legislative intent that the bank of discount should engage in the business of a Savings Bank.

"However far these encroachments may have extended, or whatever may have been their impropriety, it would seem that no class has assumed the additional functions without some warrant in law. It would be injudicious to demand a return by each class to the particular sphere of activity originally contemplated by the Legislature, as that would result in great disturbance to their patrons as well as to the corporations themselves. It would seem equally unwise to set aside such distinguishing features of corporate power and restriction as have characterized each from the outset. So far as is possible, however, the assumption of powers and functions outside of the appropriate fields should be checked and the institutions under State Supervision restrained from further trespass upon one another's domains.

"It is generally recognized that Savings Banks are philanthropic institutions whose function is to care for the savings of the provident poor. Restrictive laws have been acted with a view to absolute protection in the investment of these accumulated deposits, and the laws pertaining to the administration of the trust contemplate the use of these funds solely for the greatest benefit of the depositor.

"Yet we find the bank of discount, with questionable authority, encroaching to a very large extent upon the legitimate field of the Savings Banks through what is commonly termed the 'interest department,' so named in evasion of the spirit of the law. In this interest department there are used pass-books with regulations similar to those adopted by the regularly organized Savings Banks, in some cases with the evident purpose of deceiving depositors as to the character of the institution in which they are depositing their savings.

"It has been the evident intent of the Legislature to mark clearly the distinction between the Savings Bank and the bank of discount by fixing certain limitations upon the use of the word 'savings.' These provisions, however, have been practically set at naught through the installation of the 'interest department.' The savings deposits of these banks are protected by the safeguards which it has seemed proper to impose upon the legitimate savings institutions. They may be used with those of commercial accounts, in loans and discounts; they are in no way preferred. I deem it proper that the investment of such deposits should be limited to securities approved for Savings Banks, and that these securities should be set

aside for the protection of such deposits in case of liquidation or other need. These conclusions apply with equal force to trust companies in so far as they have encroached upon the legitimate field of the Savings Bank.

"It might be suggested that a minimum limit might be placed upon the size of a deposit account upon which a bank or trust company might pay interest, and it is clear that such legislation would contribute to a cure of the existing condition. It would be difficult, however, to apply this principle in localities within the State not affording Savings Bank privilege. In such localities the use of the bank of discount by small depositors is common, and in our judgment worthy of encouragement.

"An injustice would be done were we to deal with all financial institutions in accordance with the names under which they operate, rather than with reference to the character of business in which they are engaged. In short, if the commercial bank or trust company is actually doing a Savings Bank business, whatever it may be called, its deposits of that character should be protected by such safeguards as the Legislature has thought proper to apply to the legitimate Savings Bank business."

That jealousy and resentment exist as a result of present conditions is evidenced in a report of the New Jersey State Bankers' Association, held only a few days since. It says:

"The formation of a separate organization by the Savings Banks seems to have had its inception in a feeling among certain Savings Bank men that their interests were endangered by the trust companies and national banks doing a Savings Bank business. How far this feeling is justified it is not the purpose of this report to determine. It is sufficient to say that the existence of this feeling keeps the Savings Banks out of the New Jersey Bankers' Association as individuals and causes them to think that their interests can be best subserved by an organization of their own, either within or without this Association. The action of that organization indicates that they would come into the New Jersey Bankers' Association if they would be received as a section with privileges similar to the sections of the American Bankers' Association.

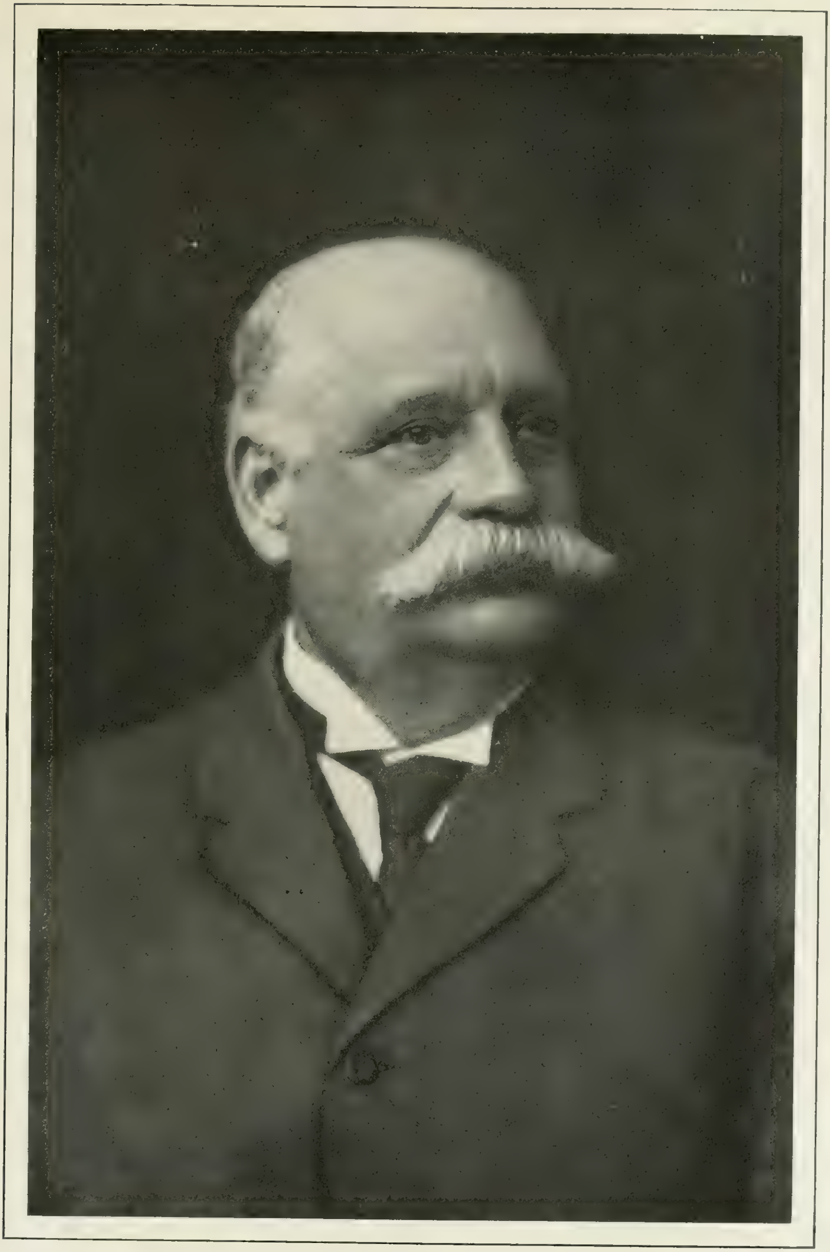
And another:

"While we may oppose the plan of State or Government insurance on guarantee of deposits, we must sympathize with the desire of the people at large to have their deposits made as safe as they can possibly be made. It is not sufficient for us as bankers merely to

oppose this proposition. It is incumbent on us to take steps to make impossible just as nearly as we can the failure of any State or national bank, and we shall fail in our opposition unless we are able to present a plan which will practically accomplish the desired end and at the same time be based on sound business principles. Is it better to regulate your own affairs or to have them regulated for you? Is it better to be compelled by Government influences to do what is right or to do it of your own initiative?

"Realizing that the interest of every bank in the community is vitally bound up in the soundness of every neighboring banking institution, what better way to protect and further our interests than close association? For no matter how sure you are of the soundness of your institution, you want to know that the other bank is all right, too. The only way to remove this distrust is by closer affiliation and proper examination.

I hold that we should not attempt to curtail any of the banking facilities now enjoyed in this country. The people should be given every possible agency consistent with safety and good business principles. The Savings Bank man says the national bank should not receive savings deposits; he says the same thing about the trust companies, and yet all seem to be doing a very commendable duty in the communities in which they are established. Would you take away from these two last-mentioned classes of banks these privileges? I doubt very much whether you could, and I doubt further whether it would be desirable. The figures which I have given you are evidence that the people want these depositories, and I think it is our duty as bankers to recognize the demand of our clients from a purely unselfish standpoint, and permit our people to deposit their savings where it is most convenient; but for their protection, these funds should be most sacredly safeguarded and their investment restricted, no matter by whom received. A savings deposit, whether made in the national bank, a Mutual Savings Bank, a Stock Savings Bank, a State bank, or a trust company, should be under the law of the State in which those institutions are located, and we should see to it that the laws are made reasonably uniform. I have not the slightest doubt but that the Federal Government will coöperate



JONATHAN B. CURREY

SECRETARY, 1909
TREASURER, 1900-01

with us, and while I have not been definitely advised yet I am convinced that the same restriction now imposed on national banks as to taxation in the respective States could be made to apply to the investment of savings deposits. I could quote you letters by the dozen received from the Commissioners of Banking, Governors, and the Presidents of State bank associations, all accepting, practically with unanimity, the situation of the dual or departmental institution, but demanding, whether it could be under one charter or separate ones, that they all be required to act under one and the same law, embodying these prime requisites: "Savings deposits should be segregated, and their investment most carefully safeguarded."

California, a most progressive State in our line, has recently adopted a new banking law compiled by a commission of bankers and leading members of their legislative bodies, which to my mind bids fair to be the banking law of the future. Clean-cut, concise, and comprehensive, it permits the organization of the three principal types that I have referred to separately or collectively. In the latter case it permits of most economical administration so necessary in the smaller communities. My good friend Williams may not agree with me in this rather sweeping recommendation, and possibly you will not, because of the security you feel in your special class. You need no legislation or advice, but there are other sections that do, and we want you to deal kindly with your neighbors, and help along the good work. As an incentive, let me quote a few messages from widely different communities:

Illinois.—J. L. Hamilton, ex-President of American Bankers' Association: "The kind of Savings Banking institutions that we most generally favor in this State I think are the ones that would carry with them the trust and Savings Bank features, and to which may be added the commercial deposit. These banks are very popular and very strong in this State, and people seem to have great confidence in them. I think, however, that the savings

deposits, trust funds, and the commercial accounts should be kept in separate and distinct departments."

Iowa.—A. Reynolds, President Des Moines National Bank: "I am in receipt of report of the Savings Bank Law Committee, and I heartily approve of all the suggestions contained therein. Indeed the suggestions are in the line with those which I presented to the Monetary Commission of Congress a few months ago relative to savings departments connected with the national banks."

Maryland.—President Maryland State Bankers' Association: "Savings are being deposited in all kinds of banks, savings, commercial, and national. No rule seems to govern the matter."

Missouri.—H. Hunicke, Cashier German Savings Institution, St. Louis: "We have the word 'Savings' incorporated in our name, but we have never operated as a Savings Bank, and we have never conducted a savings department. We are strictly a commercial bank. There are no Savings Banks in Missouri; trust companies hold the field."

Montana.—State Examiners: "Savings deposits in Montana are banked in the State, national, and private banks."

North Dakota.—R. C. Kittel, President First National Bank, Casselton: "Savings deposits in North Dakota are banked with all of the State banks, trust companies, and national banks. At the last meeting of our Executive Committee for the North Dakota Bankers' Association, the question of segregated savings deposits and providing a special form of investment was discussed."

I hope I have impressed you with the gravity of the situation and the weight of our task. Will you not as members of a great banking organization join us and add the weight of your membership to our efforts? The Savings Bank Section extends the right hand of fellowship, and hopes that you will grasp it with a vigor that will tell us plainly that you are with us, heart and soul, in the reforms that we hope ultimately to bring about."

ADDRESS OF MR. CLARK WILLIAMS

Mr. President and Members of the Savings Bank Association of the State: First of all, gentlemen, I desire to return my sincere appreciation to Mr. Mulry for the expression of his personal opinion as to the accomplishments of the Banking Department during the recent past.

When your President asked me to address you on this occasion, I advised him that whatever I might have the opportunity to say could not be characterized as an address, and if in this particular he has taken advantage of you he must bear the full weight of responsibility. It is a pleasure to me personally to be with you again and to congratulate you upon the condition generally of the institutions under your management and under the supervision of the Banking Department of the State of New York. Your officers, doubtless, through their reports, have reviewed the history of the year so far as the interests of our Savings Banks are concerned, and your Legislative Committee has probably given you the result of its efforts for the meagre legislation desired in your interest. It may be interesting to you to know certain facts regarding our failure and our accomplishment along the line of legislation this year. At this session of the Legislature it seemed to be wise to hold our legislation to a minimum. There were, however, two conditions which we deemed worthy of adjustment. A bill was introduced in the Legislature, which had the approval of the Banking Department and of your Executive Committee: to enable a Savings Bank to rid itself of an objectionable trustee by a two-thirds vote of the Board of Trustees. I have in mind, and doubtless in your experiences you may have known of a similar case of a trustee who in his local vicinity has lost his standing; he has not the respect of the community, and he adheres naturally with great tenacity to this one element of respectability, his trusteeship in the Savings Bank. Another measure provided that not exceeding two trustees of a Savings Bank might

be residents of contiguous States and that two other trustees might be non-residents, provided that each had and maintained a regular place of business in the State of New York.

This legislation, perhaps, was not clearly understood. I know of a number of cases where the trustees of Savings Banks are compelled by the present statute indirectly to take a hall bedroom in the City of New York as their permanent residence, though they sleep in Stamford, Connecticut, or in some town in New Jersey. Now, that hardly seems a dignified position. What is the real reason that a trustee of a Savings Bank should be resident of the State of New York? You turn the helm of the ferryboat from south to west, and you will not land in Brookyn, but in Hoboken. Gentlemen, it is the man who makes the trustee; it is not his residence.

Through the coöperation of Assemblyman Francis, the Chairman of the Banking Committee, this bill was passed in the lower house. It was divided, however, in the Senate Committee on Banks, and that part containing the first provision was on the last day of the session passed again by the lower house. That portion of the bill containing the provision for non-resident trustees was not reported by the Senate Committee on Banks. Gentlemen, there is an overworked phrase that is frequently applied and appealed to to protect the legislator in his desire to advance his personal interests when they conflict with measures for the public good; it is frequently "out of respect for the opinions of my constituents that I must favor or oppose legislative enactment." The fact that this provision had the unqualified approval of the Executive Committee of your Association and was suggested by the Banking Department in good faith seems not to have been regarded as of sufficient importance to certain members of the Senate Committee on Banking to justify its consideration by the higher branch of the Legislature.

Although we have met with some success in the past, as our experience with legislative methods broadens I am

convinced, gentlemen, that I lack the essential qualities of a good bill passer. As we review conditions affecting Savings Banks, I believe the most striking evidence of your characteristic conservatism is reflected in the general consideration of the reduction of the rate of interest paid to depositors. A knowledge of the general conditions throughout the State compels the conclusion that the greatest offence to economic principles and sound banking lies in the present high interest rate. This evil results, as I have frequently stated before, from improper competition and unreasoning desire for quantity rather than quality. Deposits are still a liability and should not be recklessly solicited or procured by the offering of high interest rates at the sacrifice of safety. The practice of this offence against the principles of sound banking is indulged in by banks of discount, both State and national, as well as by the trust companies, largely through the instrumentality of their so-called interest departments; and it is proper for me to say, in Mr. Johnson's presence, that I am speaking now to the Savings Banks of the State of New York, and whatever I say should not be interpreted as being an indication of the conditions which might in my judgment be proper in the States in the far West and in the South. The Savings Bank, as we all know, in this State is a semi-philanthropic institution. It is created as the depository for the savings of the provident poor. No one can properly profit by its operation but the depositors themselves. The restrictions laid upon the Savings Banks by the statutes are such as to require the safest possible investments, and the statutes also contemplate the largest possible return to the depositor consistent with sound banking. So in the discussion of the rates Savings Banks should pay, it is fair to keep this fundamental fact in mind. But what is the condition, at the present time, regarding the Savings Banks in the State of New York? We find by comparison of the deposits with the percentage of surplus which our Savings Banks have laid away from year to year a most remarkable diminution. You are doubtless famil-

iar with the statements which show this result. Suffice it to say that on January 1, 1890, the percentage of surplus to deposits was seventeen per cent., and practically each year since that time there has been a decrease until now it is at seven per cent. Whatever be the reason for this decrease with the falling rate of interest on conservative investments, this disregard of surplus in the payment of high interest rates would in time result disastrously for the depositors.

I am not impressed with the argument that because certain banks are paying at the rate of four per cent. all should, and conversely, because certain banks are paying at the rate of three and a half per cent. all should. But I do believe that, so far as the Savings Banks are concerned, the affairs of each are administered by trustees who are competent to discharge the duties imposed upon them by the trust. Conditions in banks may differ, and it is for the trustees in every Savings Bank to determine for themselves the proper rate of interest to pay to depositors, taking into consideration, as they must, the absolute safety of the principal and the maintenance of the proper surplus reserve, to which the present depositor may in fact properly contribute for the benefit of posterity.

It is most unfortunate that the interest departments have been permitted to develop in national banks, State banks, and trust companies throughout the State. This is, to my mind, an improper encroachment upon the legitimate field of the Savings Banks, and if it is impracticable to prevent it at the present time, it should be properly controlled in the interest of sound banking and for the public good. There is no economic analogy which justifies the payment of the four per cent. rate by these institutions because the Savings Bank in their vicinity pays at that rate; and I find elements of danger in the practice which should be apparent to any one analyzing the proposition. Four per cent. interest, plus the expense account, plus the proper charge for reserve! Gentlemen, these represent a

cost price for money which is difficult to cover, if conservative use is made of the funds.

As to the interest to the depositors, I would say a depositor's savings are not protected by a compulsory investment in high-grade securities, but may be used in general loans and commercial discounts. In time of stress there is no postponement of depositors' claims for sixty days which may be relied upon, and the attack may be made not only through the doors of such an institution but through the exchanges and clearances. I consider it my most pressing duty to endeavor to effect a general reduction of rate of interest in our institutions throughout the State, not only in the interests of the corporations themselves, but in the interest of those who have entrusted their funds to these depositories for safekeeping. And, gentlemen, I have ventured to prophesy on several occasions that because of the conservatism to which I have referred as characterizing the management of our Savings Banks, there will be a general reduction in the interest rates, and it is for you to determine whether this prediction shall come true. If it is right that the interest rate in your bank be reduced, it lies with you to answer with your good judgment in the interest of those who have intrusted and shall intrust savings to your care, regardless of the action of your neighbor. If your institution will be any stronger at the present time, or in the years to come, if you reduce your rate, it is clearly your duty to adopt that policy.

General observation, gentlemen, compels the conclusion that the management of our Savings Banks is characterized by an unselfish adherence to the principles upon which these philanthropic institutions are founded, and I most sincerely congratulate you upon the result of your unselfish efforts in the interests of your fellowmen.

ADDRESS OF MR. E. P. MAYNARD

Mr. President and Gentlemen of the Association: That I might not be charged with plagiarism, I may say that strangely enough my line of thought has run almost

exactly along that followed by Superintendent Williams in his address, and I hope, even though he spoke before I did, that my remarks may receive his endorsement.

What came most forcibly to my mind when requested by the President of the Association to say a few words—because I will not characterize what I am to say as an address—was this: That some one ought to speak upon the evident tendency among Savings Bank officials to consider that there must be some uniform rate of interest among the Savings Banks when the next dividend is declared. Early in January a number of newspapers had long articles quoting various officials of Savings Banks, though not by name, as to what the rate of interest should be in July. We had not then paid the January dividend. Some of the up-State newspapers even went so far as to communicate with the officials of the Savings Banks of the City of New York asking what a definite rate should be, and there was correspondence between Savings Bank officials and various persons as to what the Savings Bank rate ought to be. I noted yesterday in the newspapers that the dividends of all the Savings Banks of the County of New York and of the County of Kings had just been declared, and that they are generally to be four per cent., although the trustees of the various Savings Banks in these two counties have not yet met and considered the subject.

Now, gentlemen, as the Superintendent of Banking of the State has said, it seems to me that every individual board of trustees and every individual set of officials of every Savings Bank must pass on the question as to whether their individual bank is able to pay four per cent. The question is not whether it has earned four per cent. in the last six months, but whether it can add sufficient to its surplus to make it the strong bank that it should be if it does declare a four per cent. dividend. I am aware, as an official of an old bank, a bank of moderate strength, a bank that carries a moderately large surplus, that that is

a comfortable position for one to take. But I take it as a business man and as a Savings Bank man of many years' experience. I looked over the reports of the Savings Banks of the State, and, without criticising the management of any particular bank, I noticed many banks that are not really capable of paying four per cent. interest. Now, gentlemen, my plea is for a strong surplus. I have been reading articles lately in some publications which seem to be endeavoring to ascertain as to what the minimum surplus may be; not the maximum, or how much we can accumulate to a reasonable point to protect our depositors, but how small a surplus we can get along with, and still be safe, perhaps. Now my position is, in the first place, the Legislature in its wisdom has said we can accumulate a surplus equal to fifteen per cent. of our deposits on the par value of our security. We will shave that sum, but do let us aim at ten per cent. at least and strive to get there. There is only one way to do this, and that is to add consistently every six months to our surplus, and have the courage, if necessary, to cut our dividend to do it.

I have been looking over the records of the institution with which I happen to be connected, and have been for many years, and I observed many instances where they have cut their dividend even to three per cent., in order to keep the surplus where it should be. Failure to add to the surplus, I take it, is not the only cause of a decrease in the percentage of the surplus by any means, but an abnormal increase in deposits caused by the large dividends that are paid, and the attraction of sums of money which do not belong in Savings Banks, but are accepted on deposit.

Gentlemen, I want to talk plainly to you as members of the Association, and I do not mean to specialize any one particular bank, but I know what the general practice is among Savings Banks, and, as we are a lot of Savings Bank men here together to-day, I think it well to talk plainly. I have noticed that though we add a very sub-

stantial amount to the surplus in six months, the increase in liabilities caused by the additional dividend, and even a small increase in the deposits comparatively, will barely serve to keep your percentage of dividend where it was; that if your depositors increase very materially, you have got to add heavily to the surplus in order to keep the percentage where it belongs. There is a common practice among Savings Banks—I won't say how common it is, but I know that many banks do it—and that is allowing a man to open a three thousand dollar account with the bank, and, if he happens to have fifteen thousand dollars, permitting him to open four more accounts in that bank in trust for various members of his family. Gentlemen, I call that increasing deposits abnormally, and that line of policy, if pursued, will make it almost impossible for you to keep your percentage of surplus where it belongs. I have a common feeling with the smaller Savings Banks in their desire to grow and to increase in size and to become more useful, but I believe the smaller banks have got to get through the troubles of childhood just as the present large banks did in their earlier days, and that they must pay a dividend that they can afford, and still add to the reserve. I was taught when I started in this business that the main object of a Savings Bank was to see to it that it was always ready to pay back to depositors their money, and next to declare dividends. Not dividends first and pay depositors afterward. Be sure your depositors are protected first. The smaller Savings Banks, especially in the suburban localities, have had this thing to contend with, namely, that the larger banks are very attractive to depositors, and sometimes their territories have been invaded by the larger banks by means of advertising, and deposits withdrawn from the places where they would naturally be made. I sympathized with the gentleman who arose in his seat at one of our meetings a year or two ago and protested against such policy. He represented an out-of-town bank. He was right.

The law says the Superintendent shall approve of the

location of a Savings Bank, intending that that particular bank should have the territory in which it is located, and that other banks should not enter it. And when this gentleman protested, I thought he knew what he was talking about, and I believed he had good grounds for what he said.

I very much deprecate personally the public discussion, especially in the newspapers, as to what the rate of interest shall be, by the Savings Banks. I think it is prejudicial to the situation; I think it rather compels to some degree at least the trustees of smaller Savings Banks to a conclusion that they also must pay this rate of interest when they cannot properly afford it. I think, gentlemen, that these things should be matters of discussion between Savings Bank officials, and, if you will pardon me for saying so, not discussions with reporters for newspapers until after the trustees have decided first without any persuasion from outside.

I anticipate, gentlemen, that the plenitude of money, and the fact that it is seeking investment, will turn a great deal of it into the Savings Banks this coming July, during the ten days allowed for the commencement of interest. In many banks of the city there is a standing resolution on the books authorizing the officials not to accept more than five hundred dollars a day in any one six months in their discretion. I believe that is a good resolution for every board of trustees to adopt and have on their books, to be applied and used, and I believe it should be specially used against the three thousand people because they are the first people to come down on you in time of panic; they are the first people to demand their money. Why, one man complained to me during the recent panic that it was very hard on him that he could not get his money when stocks were so low. He wanted to take advantage of the very situation that would compel us to sell securities to get the money to provide him with funds with which to speculate. Gentlemen, those people have no place in the Savings Bank. You meet them every day; people that have an

account, several accounts; they will have a whole bunch of bank books, and I tell you that we can do much as officials to keep down this tendency, and to help out the surplus in that way, for it suffers as much in that way as it does in the other. We add too much to our deposits, and do not put enough to our surplus.

There is one feature of the surplus question that I have never heard spoken of that has always appealed to me. Once in a while I read in the newspapers about some man that wants to divide up his surplus all at once. Indeed, I met a man who has been for years in one of the large banks in the City of New York, who stated to me that he did not think there should be any surplus in the Savings Banks; he thought they ought to pay out all their dividend, and if they made any losses, why, take it out of the earnings for that period. But he did not seem to be in that state of mind during the panic. It was before the panic.

Some people seem to have the idea that where a Savings Bank has a large surplus it is withholding something from its depositors. I do not know but what to some extent that may be perhaps slightly true, but it is a fact that we must all contribute for the good of the many. If we are to build up a strong institution, every depositor must pay his share toward it. It is a great deal better to have a strong institution at the end of ten years than to have a strong institution at the end of seventy-five years, and then not be there to see it at the time. Did it ever occur to you that the income from the surplus alone, where it is perhaps ten per cent., is more than sufficient to pay the entire local expenses of the bank, and add something to the surplus also? Did it ever occur to you that as a matter of fact the depositor in a bank which reaches that point pays none of the local expenses of the bank? That is the way it figures out, gentlemen, and if you reach that point, you find yourselves in the position where you do not pay all the market cost—I beg your pardon—I mean the market value of the securities. Keep your eye on the

surplus, gentlemen, keep it strong, and add to it every year. This is my advice, if you will take it from a comparatively young man. Then you will keep the banks as they are to-day, the pride of the State of New York.

CHAPTER XVII

Seventeenth Annual Convention—Severe Illness of President Mulry Prevents His Attendance—Resolutions in Opposition to the Constitutional Amendment Authorizing Congress to Impose a Tax on Incomes Adopted—Election of Charles E. Hanaman, as President—Notable Addresses by Hon. O. H. Cheney, Superintendent of Banks, Mr. Pierre Jay, and William Frederick Dix.

AT THE Seventeenth Annual Convention of the Association, held in the usual place on Thursday, May 26, 1910, the Chairman, Second Vice-President Charles E. Hanaman, announced the severe illness, following a great bereavement, of President Thomas M. Mulry, and, upon motion, former President Andrew Mills took the chair.

REPORT OF THE EXECUTIVE COMMITTEE

The Report of the Executive Committee was read by Mr. Hanaman:

Mr. Charles A. Miller was appointed counsel to the Committee for one year, at a salary of $1,000.

A Committee of three, consisting of Messrs. Mills, Schenck, and Felsinger, was appointed to take charge of the opposition to the amendment to the State Constitution enlarging the limits of municipal indebtedness.

This Committee was directed vigorously to oppose any legislation tending to engraft a life insurance business on the New York Savings Banks.

On April 27, 1910, the Committee met to consider the demand made by the United States Collector of Internal

Revenue for payment of a tax upon the income of the Albany County Savings Bank, and its bearing on all the Savings Banks of the State.

Counsel for the Association was directed to procure an official decision as to the liability of the Savings Banks in regard to such tax, and communicate the same to each Savings Bank of the State. Subsequently a favorable opinion was obtained from the Commissioner of Internal Revenue in Washington, and a copy of his letter mailed to each of the banks.

The attention of the Chairman of the Executive Committee and of the Committee on Legislation was called by the President of the Law and Order Union of New York State to the resolutions ratifying the proposed amendment to the Constitution of the United States permitting Congress to impose a tax on income, from whatever source derived. The attention of the Legislative Committee having been called to this matter too late to permit of reference to the full Executive Committee before the proposed resolution came up for action in the Senate, it was decided to call the attention of each bank to the matter by telegram, so that if its officers saw fit they might communicate with their representatives in the Senate and urge such action on this resolution as they deemed best. The Committee on Legislation did not feel that it could take official action in the matter in the absence of instructions from the Executive Committee. Each bank was communicated with by telegram and a number of the banks registered with their members of the Senate their opposition to the resolution. By a close vote the resolution was adopted by the Senate, and at this writing it is in the hands of the Committee on Rules in the lower house of Congress.

The following resolution, recommended by the Executive Committee, was adopted:

Resolved, That the Savings Banks of the State of New York believe that the amendment to the Federal Constitution, authorizing Congress to impose a tax on incomes, would be detrimental to their depositors, and might even endanger the existence of the Mutual Savings Bank System. And further,

Resolved, That the Executive Committee be and hereby is directed to oppose the ratification of the amendment.

Upon Mr. Charles E. Hanaman, President of the Troy Savings Bank, was conferred the honor of unanimous election to the Presidency of the Association, Mr. Mulry having declined reëlection.

In accepting the office, Mr. Hanaman said:

ADDRESS OF PRESIDENT CHARLES E. HANAMAN

Gentlemen of the New York State Savings Bank Association: I thank you for the honor you have conferred not only upon me but upon the third oldest bank in the State by electing me to the highest office in your gift.

I am also impressed by the fact that you are by this act endorsing that conception of our work which one hundred years ago gave birth to our institutions, and which I believe is still the only conception which justifies the existence of "The Trustee Savings Bank."

I am going to ask you to stand with me upon the platform of that original conception, and to do all in your power henceforth to stamp out that tendency to commercialism which has done so much in late years to create confusion and misconception in the public mind as to what the Savings Banks of the Great Empire State really stand for.

I am going to ask you to help me in my endeavor to bring about a realization of the fact that our institutions

are not independent of one another but are engaged in one great philanthropic work; that "the weakest link is the measure of the strength of the chain"; that our strength is not to be measured by the amount of our liabilities, but by the security of our investments, the protective power of our "Surplus," and by the confidence of the public in our sincerity and singleness of purpose.

With the lapse of years, men have entered our ranks, fresh from commercial fields, where they have achieved success in making money and in building up great business enterprises. These men, filled with the enthusiasm of commercial success, have not always stopped to realize that their new field of labor is the exact opposite, in conception and function, to that in which they have won their spurs. And so it has come about that some of them have deemed it their privilege to compete in a commercial way with their neighbor to substitute themselves and their personal ambitions for the highest interests of the beneficiaries for whose welfare alone their Savings Bank work is justified.

Let us therefore endeavor by our acts, our conversation, our public statements, to see to it that we stand honestly and honorably before the public; to see to it that we do not allow our alleged altruism to be but a cover for some form of selfishness; our honor to be lost in a fog-bank of vanity. Let us stand for the character and quality of our work rather than for its quantity; for honor rather than for vanity. Let us teach the public what we really stand for and, what is equally important, let us teach ourselves that our mission is not to obtain control over the largest aggregate sum of money that we can secure from the public nor that the success of our work is to be measured by the greatness of that sum. Let us teach ourselves that we are not justified in seeking deposits by a kind of competition which is subversive of all true philanthropy; which makes it impossible for us to teach the public how to make a proper use of our institutions; which fills the minds of our legislators with false and wild notions relative to our

work. A kind of competition which causes our commercial banks to enter into an unfair competition with us, who, in consequence of the character and the necessary restrictions of our work, cannot compete with them, excepting at the expense of our legitimate depositors and the maintenance of a false attitude toward the public. Let us remember that we are not playing the game of commercial chess, and we surely do not wish to earn the reputation of playing that game with trust funds.

What I have said would seem to imply that, in our rapid development, some of us have forgotten or have never taken the trouble to think out just what a trustee or so-called "Mutual" Savings Bank really is; that some of our ships have lost their compasses and are sailing wildly. Now I think that our New York State Savings Bank Law, although it has some imperfect spots in it, is the best and most perfect Savings Bank Law in the world. I think also that our law has crystallized out of the original conception of our institutions in a manner which has preserved most perfectly the motive and intent of the projectors of our banks. According to our law, the Savings Banks of this State have no capital stock and are not organized for profit. The income earned through the investment of the depositors' money is incidental to, and is not the primary object for, which these institutions were organized. That object has been truly stated a great many times in the "information for depositors" attached to the semi-annual statements of a large number, if not of the majority, of our banks for years past, viz.: "Savings Banks are institutions created for the purpose of encouraging thrift and the habit of saving on the part of the people." It is therefore evident that our institutions are not commercial in any sense. The commercial bank is a public necessity, for it makes possible the great credit system of the business world. It sells its service to the people for profit. Our Savings Banks do not sell their service, but give it in the spirit of pure philanthropy for

the benefit of a certain class of citizens who stand in need of such help, and the corporation *per se* does not receive a dollar for that service.

It is evident, therefore, that the Savings Bank is the antithesis of the commercial bank, and the principles governing the management of the one cannot be applied to that of the other; that the competition normal to one will work to the detriment of the other.

The recent competition between some of our Savings Banks on the so-called "interest rate" will illustrate the point. Keeping well in mind the fact that, according to almost invariable law, income is in inverse ratio to the security of the investment, the bank whose income is larger than that of its neighbor will be the weaker bank, if it does not set aside a larger proportion of its income to increase that protective group of its assets known as its surplus, to an amount sufficient to offset the comparative weakness of the investments which resulted in the greater earnings. And if by competition such a bank forces its intrinsically stronger neighbor to impair the capital of its depositors by drawing upon its surplus in order (for self-preservation) to pay a like rate of interest to its depositors, then, through this act, both banks have lessened the security of their depositors, and the bank that began the competition is chiefly responsible for an injury to the cause of a class of people it is in honor bound to protect, for the cause is a common one, and one group of depositors cannot fairly and honorably be favored at the expense of another group in order that one bank may gratify its vanity to appear larger than its neighbor when the measures of its greatness is confined to its liabilities. Now this sort of competition has unfortunately been indulged in quite freely of late, and the rapid shrinkage of the surplus of some of our banks on that account has already reached the danger-point. It is humiliating, but it seems to me that nothing short of the manacles of a law regulating the apportionment of the net income between the depositors' dividends and the surplus will hold in check that insane desire for

bigness rather than security, for quantity rather than quality, that seems to control the acts of so many people even when their honor is at stake.

But this sort of competition does harm to the cause of our depositors in another way in that it is utterly subversive of that teaching of the thrift which is the principal justification for the existence of our institutions. We cannot teach thrift to the class of people who represent the legitimate Savings Bank depositor by offering him a prize for his money in the form of a practically guaranteed interest rate. The result of such procedure is to him extravagance, for he will wait with bated breath for the coming of the interest day when he can rush to the bank and withdraw the prize and have a good time spending it, and some depositors have told me that they thought that they had to draw their interest in order to get it at all. To teach thrift, unnecessary withdrawals should be discouraged, and the depositor taught to regard his account as an emergency fund to protect him from want in the unexpected time of need. In fact, I am fully convinced that it is our duty to disabuse the public mind of the idea that our Savings Banks are available for purely investment purposes; to make prominent the idea that they exist solely for the purpose of affording the public an opportunity to accumulate an emergency fund which will be safer than a deposit in a bank where it will be subject to the more or less speculative risks of commercial banking.

In my opinion, if our institutions are not safer than the commercial bank, we should make them so, or there will be nothing to justify their existence. If the time has arrived when there no longer exists a class of people in the community who need our encouragement in order to develop in them habits of thrift and forehandedness; if, in fact, the work for which our institutions came into being has been accomplished, or if the commercial bank has developed to a point where it can do our work better than we can, then our institutions should be

converted into trust companies or some form of commercial bank.

I do not believe that such a time has arrived, and therefore I earnestly contend that we should make and keep clear the distinction between our institutions and commercial banks; that we should cease to hold out the interest rate as a prize or as the purchase price of deposits. And I want to emphasize the fact that we should see to it that the margin of safety called the surplus is not only drawn upon either directly or indirectly, for the purpose of keeping up an unwise and unjustified interest rate, but, that no matter at what rate the interest dividends may figure out, we shall endeavor to attain, and afterward maintain, a minimum margin of safety of not less than ten per cent. as based upon the best attainable market value of our securities. For, although in my opinion the so-called market value surplus as a whole never has any actual existence excepting upon paper, nevertheless its statistical value as a guide to careful and safe management is very great.

The investment value surplus, on the other hand, has a true and actual existence, and will be gradually as fully realized, as time goes on, as will the par value of our securities; and I am fully persuaded that the possibility is very remote of any accident happening which will prevent that realization if only we can succeed in driving out and keeping out of the management of our institutions what I have characterized and tried to point out as commercialism.

It is said of a man who has been kicked by a mule that, while he doesn't look so beautiful as he did before being kicked, he knows a great deal more. Now I want the Savings Banks of our State to accumulate sufficient knowledge beforehand to avoid the necessity of a kick from the mule called disaster and so preserve their beauty. And I hope that a year from now, when I shall take leave of this chair in which by your grace and your courtesy I have today been placed, I may be able to congratulate you upon

the fact that we have all with one accord moved beyond the reach of the mule, and have bid defiance to his kick.

ADDRESS OF HON. O. H. CHENEY, SUPERINTENDENT OF BANKS

I have looked forward with much pleasure to the opportunity of meeting the members of this Association. In common with other citizens of this State I have the highest respect for the Savings Bank Trustee. In him we see developed that high sense of duty and responsibility peculiar to the citizen who desires to be helpful to his community. Without consideration of personal gain, he is intent upon providing an agency potent to influence the upbuilding of the community and the betterment of its citizens. In New York State he is a part of the greatest Savings Bank system the world has ever seen, a system with which it is my good fortune to have temporarily a somewhat intimate relation. It is therefore with pride in the institutions and respect for the trustees that I express myself as fortunate in being privileged to appear here to-day.

No legislation directly bearing on Savings Banks has been enacted this present year. Of the few bills relating to the subject which were suggested, only one covering segregation of savings deposits in commercial institutions had the sanction of the Banking Department. No action was taken by the Legislature upon the measure, but progress has nevertheless been made toward the solution of a very important problem. The Trust Companies Association has authorized the appointment of a Committee to confer about the matter with the Superintendent of Banks, and any Committee that may be selected by the State Bankers' Association, and would doubtless welcome being joined in their deliberation by a Committee from your Association, should you care to appoint one.

As I am here solely because of my official position, it will, perhaps, be well for me to refer again to a condition

affecting the Savings Banks of our State, set forth in my recent report to the Legislature. Permit me to say at the outset of these remark that, contrary to intimations recently published, I have no wish to dictate the policy to be adopted by your institutions. In my humble opinion that is not the province of the Superintendent of Banks.

The large gain in Savings Bank deposits during the year 1909 has been called to your attention, and I need not dwell upon that marvellous growth. At the same time the amount of interest paid depositors was so great that the ratio of surplus to depositors decreased more than one third of one per cent. Another factor which we cannot fail to consider in connection with this continued decrease in surplus is the reduction in earnings and the large depreciation in bond values prevalent since the first year.

For the last twenty years there has been an annual decrease in the Savings Banks surplus, so that to-day the percentage is less than one half of what it was in 1890. While this condition has not heretofore proved disturbing, I personally am convinced that the time has now arrived when steps should be taken to prevent a further reduction. There can be no successful challenge of the principle that every dollar of net earnings that can be distributed with prudence among the depositors should be so distributed, yet is it not time to analyze present conditions and determine what real prudence demands? The first consideration which should be given to all savings funds is absolute safety. The surplus of a Savings Bank represents its margin of safety. It cannot be too strongly urged that the management of every Savings Bank whose deposits are increasing should carry proportionate sums to its surplus fund at every dividend period.

Savings Bank Trustees establish their institution through a fine exhibition of unselfish devotion and disinterested philanthropy, but when the bank's deposits grow, some trustees are attacked with the "grow big" fever. I believe in the call of ambition, but when men engaged in a purely philanthropic enterprise begin to scheme

how to take business away from what they call rival institutions, it is time to scrutinize their real motives. Between beneficent institutions organized with such high purpose as the proper care of the money of the frugal poor there should obtain that helpful coöperation which is inherent in true philanthropy. Is it not important to your institution to see every Savings Bank in this State strong and prosperous? Will you have fulfilled your duty to your own depositors if you do not help protect them through the protection of the depositors of every other Savings Bank in this State?

It has been stated that ninety per cent. of our Savings Banks wish to reduce their four per cent. interest rate until their surplus is properly restored, but owing to the refusal of others to adopt the same course, nothing can be done It is hard to reconcile the attitude of either side to the very evident duty of the Savings Bank Trustee. It is my opinion that under present conditions only a limited number of our Savings Banks are in a position warranting a continuance of the four per cent. rate. Yet, even if I were a trustee of one of these institutions with sufficient surplus, I would consider it my duty to the individual depositors of my bank to help strengthen the whole Savings Bank system by voting to reduce the prevailing rate, for a time at least. Pride in one's own institution, or a desire to get some one else's deposits, should blind no one to the conditions which at present exist.

Gentlemen, your Association owes a duty to every savings depositor in this State, and security is the first requisite. Every savings depositor in this State must bear his proportionate share of the cost of security. This is not only right and proper, but he accepts it willingly and cheerfully when he realizes the need and is assured that the distribution of what otherwise might seem a burden is fair and equitable.

I commend this important question to your Association convinced that you will give it your further earnest consideration. Upon its proper solution depends the con-

CHARLES E. HANAMAN

PRESIDENT, 1910-11

tinued confidence of our citizens. No one in this room can be more proud of the wonderful record made by our Savings Banks than I. Because my position has given me opportunity to know in some measure the problems of all our Savings Banks rather than of one alone, and because I desire to see each and all of these institutions succeed and prosper for the sole welfare of the depositor, I have been impelled to speak as I have in advocacy of a generous conservatism.

SAVINGS BANK EXTENSION

The following address was delivered by Mr. Pierre Jay, formerly Bank Commissioner of the State of Massachusetts:

The figures presented in the New York Bank Superintendent's Report each year, showing the steady piling up of deposits in the Savings Banks, gives one a tremendous idea of the growth of our Savings Bank System: $87,000,000 increase last year, and an average annual increase for the last five years of $57,000,000. While this growth is most gratifying, what I want to discuss with you to-day is, whether, while the banks have been growing, the system has been expanding and reaching out into the more remote cities and towns of the State. In order to bring the situation clearly before you I am going to present a map and a very few figures covering the last twenty years. On this map the places in which there are Mutual Savings Banks are marked in blue. I have only put one mark in Greater New York, for, otherwise, the whole space would be blue, so many Savings Banks are there in this great city. You will note that 29 out of 61 counties have no Savings Banks within their boundaries. In 1890 there were 119 Savings Banks in the State; in 1910 there are 142, or an increase of twenty-three in twenty years. While the deposits were increasing three hundred per cent., the number of banks increased only twenty per cent., and of these twenty-three new banks, all but seven were

in Greater New York. Yet in the last twenty years the State, as well as the city, has been growing rapidly, and in looking over a list of its cities and towns I find that to-day there are thirteen with a population of 10,000 or over which have no Savings Banks, and seventy-four others having a population from 10,000 down to 2,500 which have no Savings Bank. But it is by no means certain that Savings Banks cannot be successfully established in places of less than 2,500 population, for there are Savings Banks in eleven such places, with deposits of nearly $18,000,000, or omitting those two Long Island prodigies at Riverhead and Southhold, an average of over $900,000 to a bank. There is no fixed rule as to the size of the place in which a Savings Bank may be successfully established. In each case it is largely a question of individual initiative.

Proud as we are of our magnificent Savings Banks holding about a quarter of all the savings of the country, must we not admit that a system devised to stimulate thrift which does not expand with the expanding country, and does not reach out into all communities of substantial size, is a little rigid and inflexible? Of course there are reasons why it does not expand.

First, there is no profit to be made by the organizers of a Savings Bank, and a tremendous amount of inertia has to be overcome before men will join together from purely philanthropic motives to establish one.

Second, besides the inertia to be overcome, there is the requirement of the banking department, and a very wise one, that the expenses of the bank must be guaranteed by its organizers until it is on its feet and ready to allow interest on its deposits.

Third, there is the discouraging prospect of an uphill attempt to accumulate a surplus while paying at least three and a half per cent. interest together with the knowledge of the inevitably weak financial position of the bank during the first few years of its existence.

These three general causes, and often still other local causes, doubtless operate to prevent the establishment of

more Savings Banks in the smaller communities of the State.

What then is to be the future of our Savings Bank system? Is it to stand still and confess that its limit of expansion, though not of growth, has been reached, or can any way be devised to extend it into the smaller communities?

Those who think that no such extension is called for—and they are many—point to the fact that Savings Banks are established in all the largest centres, and that the mail, the trolley, and the train put every one in ready touch with the Savings Bank system. If the train were a sufficient medium of communication, then there was no need of establishing the Bank of Ogdensburg, for that was within three hours' ride of Watertown, the nearest bank, or at Patchogue, for that was within an hour's ride of an existing Savings Bank; nor was there any need of establishing additional banks in Greater New York, for most of them were within a few minutes trolley ride of existing banks; nor, if the mail as a medium were adequate, would there be need of establishing any new banks whatever. The fact is that the proportion of deposits by mail is very small. It takes an ardent saver, indeed, to patronize the distant Savings Banks by either of these three media. To fulfil its function and to attract the money of the less thrifty, the Savings Bank must be brought as near as possible to the people it seeks to serve.

My object in accepting the kind invitation of your Secretary to be with you this morning was to suggest three ways in which the Savings Bank System might be extended.

First, in order to promote the establishment of new banks and to overcome their weak financial position during their first few years, the realization of which doubtless deters many from organizing banks, the law might be changed so as to permit those desiring to incorporate Savings Banks in country towns to put up a small amount of capital, as a guarantee of solvency, upon which interest

should be allowed at the same rate as the interest allowed on deposits, and which should be returned to the stockholders as soon as a sufficient surplus has been accumulated to make the capital unnecessary. There is precedent for this, I believe, in the case of some of the mutual life insurance companies of this State, and it seems to me both reasonable and not in conflict with the traditions and principles of the Mutual Savings Bank System. The second way is not by establishing new banks but by letting the existing banks establish branches. This is a matter which was discussed in his annual report more than once by Superintendent Kilburn, but I understand that it never took definite shape in the form of a bill before the Legislature. Branch Savings Banks, though common abroad, are rare among the mutual systems of this country, but there are a few examples which I want to call to your attention:

The Provident Savings Bank of Baltimore, a mutual institution established twenty-five years ago in a city already well supplied with Savings Banks, with a board of trustees determined to reach out for the smaller deposits, has twelve branches in the more or less outlying portions of the city, where both deposits and withdrawals may be made, and has some sixty agencies in drug stores and other similar places where deposits only may be made. This bank now has deposits of about $5,000,000, with 50,000 depositors, or exactly $100 to an account, an average lower than that of any other Savings Bank of which I know. What has been done in Baltimore can be and is being done in other places.

In Massachusetts, in 1908, an amendment to the law was passed permitting the Savings Banks to establish branches, for the receipt of deposits only, in places within fifteen miles of the main office of the bank in which no Savings Bank already existed. The Savings Banks were not much interested in this amendment, but they did not oppose it. Fortunately, a few came forward who were willing to give it a trial. One of these, the North Attle-

boro Savings Bank, established a branch in Attleboro some three miles away, and in the first year picked up $101,000 there. Some of this doubtless would have come to the bank without the branch, but unquestionably a large majority of it represented money which the Savings Bank would not otherwise have gotten.

But the test of this amendment which to me is the most interesting is that which has been made by the Lowell Institution for Savings. Instead of maintaining a branch which keeps open all the time, the Lowell bank decided to have the branch keep open only on one afternoon of the week. It selected two small manufacturing villages about ten miles from Lowell. In these two villages, which are close together, there are three mills, employing in all about five hundred hands. Thursday is pay day, and every Thursday afternoon a clerk of the Lowell bank goes out by trolley to the mills to receive deposits. At the time the branch was opened the bank had accounts from thirty-four out of the five hundred operatives and their families. It now has 235 accounts from them. This means that, during the twenty-two months of its operation, 201 out of the 500 operatives had opened accounts, practically none of whom ever had a Savings Bank account before. During the first ten weeks of the branch, the average number of deposits made each week was only nine; during the last ten weeks the average has been thirty-three; and the total amount of money deposited from those two little communities composed only of the mill, the houses of the employees, and the village store, has been in all over $35,000. Could any more complete proof be offered of the inadequacy of the mail, the trolley, and the train as means of attracting money into Savings Banks than this little extension of Savings Bank facilities into communities whose citizens had for years been in touch with Lowell by all three of these avenues of communication?

In this State, with its great diversified manufacturing interests, there must be dozens of places where the Lowell experience could be duplicated.

These are two methods of extending the field of the Mutual Savings Bank, but there is a third and easier way of extending the Savings Bank System of the State which will bring it into communities where the Mutual Savings Bank has never dreamed of penetrating.

Let me show you another map of New York State. Here again the Savings Banks are marked in blue, but we see that those twenty-nine counties and those scores of cities and towns apparently without Savings Bank facilities are well filled up with red dots indicating that there are either State or national banks or trust companies in them.

Your superintendent estimates that these three classes of banks in New York State hold three hundred millions of savings deposits.

By the passage of a single page of law all these banks, already aggressive accumulators of savings deposits, could be transformed into safe investors of savings deposits and made a part of the Savings Bank System of the State. By such enactment an extension of the system which would otherwise require decades of slow and toilsome effort can be brought about at once. The law which would accomplish this is one which would permit these banks to receive savings deposits, but require them to keep them separate from their commercial deposits, and to invest them in loans and securities which are prescribed for our Savings Banks. Both Superintendent Cheney and his predecessor recommended such legislation as a restrictive measure. I urge it confidently as a constructive measure, the safety and practicability of which has been proved in several other States. I say this confidently because I am as sure of its adoption in the future as I am that most of you are at present opposed to it. But without discussing the point of view from which the State banks and trust companies oppose it, I am only going to ask you to lay aside your particular prejudice against it, and to look the situation squarely in the face, having in mind solely the benefit of the people of the State.

What is the situation? As I have shown, and as the Superintendent in his latest report frankly admitted, the Mutual Savings Bank System is not extending. Whether or not the law permits it, the national banks, the State banks, and the trust companies are receiving savings deposits in one form or another, and it has not been found possible, either in New York or in any other State, to prevent them from doing so. If I remember correctly, Superintendent Williams said it was a question whether he would think it wise to prevent them if he could.

Is there any valid reason why, if they invest savings deposits safely, they should not be permitted to receive them? To this you will reply that no competition with the Savings Banks should be permitted. But even now, with their unrestricted investments, they are able to command public confidence sufficiently to compete with you, and yet the very fact that their investments are unrestricted adds to the severity of the competition and makes it dangerous, both for your depositors and for their own. The present restriction on the use of the word "savings" not only does not prevent the competition with the Savings Banks which it was designed to prevent, but it actually fosters unfair and unsafe competition. From the Savings Banks point of view it seems to me that the way to make the competition fair and safe is to abandon the idea that you can stop it, and to take up the idea of regulating it by putting your competitors on the same footing as yourselves in regard to the investment of savings deposits. Then they cannot make any more profit out of their savings deposits than you can, and having stockholders to provide dividends for, they will soon reduce the interest they pay to a level which will leave a profit for them. Thus the competition in interest rates will be checked, and we shall see Savings Bank surpluses gradually return to those percentages which prevailed ten or fifteen years ago.

But, you may say, if capitalized banks are permitted to do a Savings Bank business no more Mutual Savings Banks will be organized. The possibility, though not the

certainty, of this must be frankly acknowledged; but I cannot see that any one would be injured thereby, for if the capitalized banks are made safe Savings Banks, it is of little importance to the people of a given community whether they put their savings in a mutual or a stock bank. Operating under a uniform investment law, and supervised by the splendid Banking Department of the State, who can say that both would not be equally safe?

I will not take up your time by discussing whether it is practicable for a bank to do both savings and a commercial business. It is enough to say that, under the safeguards I have suggested, it has been found practicable in New Hampshire since 1891, in Michigan since 1893, in Idaho since 1905, in Connecticut since 1907, in Massachusetts, Rhode Island, and Ohio since 1908, and in Texas and California for the last year; and that without the safeguards I have suggested it has been carried on for many years in every other State of the Union, as well as in most of the Canadian banks. If you are to condemn it as impracticable, then you must condemn substantially the entire banking system of the United States and Canada, for an overwhelming majority of the banks in both countries are conducting this dual business. I will admit that, without the safeguards suggested, there are two elements of unsoundness in it.

The first is that when complete segregation of savings from commercial assets is not required, it is possible in time of stress for a bank, by requiring sixty days' notice of its savings depositors, to defer their demands during a period in which the commercial depositors may drain it of its liquid assets. This causes uneasiness and distrust between the two classes of depositors. The experience of Michigan has been that with segregation the uneasiness and distrust disappear, for each class knows that whether its deposits are payable on demand or on time, its assets are not subject to attack by the other class. The second and more evident element of unsoundness is that unless the law requires it, many banks will not put their savings

deposits into the loans and investments which have that degree of security considered requisite for such deposits.

In view of the opposition which has arisen to it from all classes of banks in this State, it may interest you to know that at the Annual Convention of the California Bankers' Association, just prior to the adoption of the new law last year, the vote in favor of segregated departmental banking was 176 to 14. In Michigan, where it prevails in nearly all of the 376 State banks, leading bankers express themselves enthusiastically in favor of it. From what I have said concerning this third method of extending our Savings Bank System, possibly some of you will go away with the impression that I am against the Mutual Savings Banks and in favor of substituting for them the discount banks and trust companies. Some of those who have heard me present similar arguments on this subject, in States where they have no Mutual Banks, accuse me of trying to put their trust companies and discount banks out of business and to substitute for them the Mutual Savings Bank. So it all depends upon the point of view. The fact is, that I express no preference, but am in favor of both systems. I advocate no changes in the law which are not based on sound banking principles and the safe investment of savings deposits, but I am in favor of such changes in the law as will permit any banking institution complying with these two conditions openly to solicit and receive savings deposits. Some people are attracted to one kind of a bank and some to another; and the evidence is conclusive that the more properly constituted agencies there are for the encouragement of thrift, and the nearer they are brought to the doors of the people, the greater will be the volume of their savings.

This is an age of enterprise and extension. Passive methods no longer suffice. In these days you do not have to travel to New York to buy bonds; the officers of the smallest and youngest of your banks are fairly besieged in their office by travelling bond men who bring the bond market to their doors. So the Government delivers the

mail to the farmer, and the department stores deliver their goods to the suburbs. In every field of business activity facilities are being extended, and new facilities create new business. The vast telephone traffic of the country represents new business; it decreased the use of none of the previous means of communication. The latest facility in communication, the "night letter," is creating entirely new business for the telegraph companies. A Western Union solicitor told me that one of his customers sent 25,000 night letters in sixteen days. In the field of banking the instances I have cited prove just as strikingly that new Savings Bank facilities create new deposits. Can we not look to this powerful Association to encourage the extension of the Savings Bank System into the smaller communities of the State, so that it may expand as well as merely grow, and so that the facilities for saving money may in some measure keep pace with the ever-increasing temptations to spend it?

THE THEORY AND PRACTICE OF SAVINGS BANK INSURANCE

The following address was delivered by Mr. William Frederick Dix, Secretary of the Mutual Life Insurance Company:

The theory and practice of life insurance have been so scientifically developed during the last half century that they are as nicely adjusted to the needs of the man of small earnings as they are to those of the capitalists. The most sagacious business men in this country are the most liberal patrons of it, the multi-millionaire is just as sure to carry insurance on his life as is the clerk in his office, and to-day the great life insurance companies stand as a formidable bulwark against poverty. As a factor in economics they are mighty anchors of safety.

The question of Savings Bank insurance is a most interesting one. In theory it is admirable. Savings Bank insurance, as in vogue to-day, means industrial insurance with the elimination of the agent. Industrial insurance

is expensive because it is like buying coal by the bucketful. It is necessarily expensive because of the cost of collecting, so frequently, such small premiums. Not only is the bookkeeping in the home office enormous, but the agent must make weekly visits to the insured, and a much larger proportion of premium receipts must go to him than is necessary in ordinary insurance. Savings Bank insurance is expected to do away with the large proportionate cost of the agent and give the insured more protection for his money. It is devised to teach the wage-earner to be provident, and if it could teach the workingman systematically to save a portion of his wages, its influence for good would be enormous. It would help cure one of the greatest economic evils of our modern social industrialism. The average wage-earner is a mighty poor investor. Either he saves nothing, or through ignorance he dissipates his savings in unwise investments. If he could be taught regularly to place his surplus earnings with a Savings Bank which would not merely be there kept for him in trust, but used, as premiums, to pay for insurance on his life, fatherless and poverty-stricken families among the laboring classes would largely cease to exist. Or if he could be persuaded to put a certain sum in the Savings Bank each week, and arrange to have the bank apply a portion of his funds to pay premiums on his life insurance, still keeping a steadily growing residue in the bank, this plan would be still better because, in time of stress, when his wages stopped temporarily, for instance, his reserve fund in the bank would prevent his policy from lapsing.

State Actuary Hunter estimates that Savings Bank insurance would cost twenty-five per cent. less than industrial insurance, and states that a Savings Bank can return to a policy holder who is unable to continue his premium payments a larger percentage of those premiums than an industrial company, and can give a surrender value at the end of six months, whereas industrial companies do not give one under three years.

A very substantial proportion of industrial insurance

policy holders either lose their enthusiasm within three years, or are forced by lack of funds to sacrifice their policies, and the money they have paid into industrial companies in excess of the value of the protection received during the time is thus an absolute loss to them. On the death of the insured, a Savings Bank can automatically place the amount of his insurance in his Savings Bank account, thus somewhat removing the temptation from his widow to misuse an unfamiliarly large amount of cash in hand. She would be less likely to squander a Savings Bank fund than actual money in her possession.

On the theoretical side, it is hard to find any argument against Savings Bank insurance. The man of small wage commonly believes that he cannot afford to carry any of the regular old line forms of insurance, and the small amount he could save would, if merely left in the Savings Bank, hardly suffice to provide for more than the immediate needs of his family when bereaved by his death of their chief item of assets. A wage-earner, by systematically adding to his Savings Bank life insurance for a number of years, could build up an insurance estate which would be considerable. Theoretically, Savings Bank insurance, by the elimination of agency expenses, gives the maximum of protection for the minimum of cost. No wonder it has had the interested attention of Savings Banks and large business corporations employing numbers of wage-earners. If any scheme could be devised to make it a practical success, it would become a tremendous factor for good.

Unfortunately, however, there is sometimes a great gulf fixed between theory and practice, and that gulf, in this case, is expressed by the personal equation. The whole history of life insurance seems to show that it is human nature for a man readily to agree to the excellence of life insurance in general, but to avail himself of it only in a moment of enthusiasm, after having been hauled and cajoled and flattered and frightened into it by the resourceful agent. It is a fine thing—for the other fellow! As State Actuary Hunter has remarked: "The elimination of the

collector would be practically equivalent to the elimination of the policy holders." All attempts to conduct the business of life insurance without the aid of agents or solicitors have been virtual failures. Four English life insurance companies, the London Life, Metropolitan Life, the "Old Equitable," and the Clergy Mutual have always conducted their business without the assistance of soliciting agents. Of the companies named, the Equitable of London is the oldest life insurance organization in the world. By saving agents' commissions, it has furnished insurance at somewhat lower net cost than its contemporaries, but, like the other companies named, it has done a very small part of the life insurance business of the world. After a career of 147 years, it has about $40,000,000 of insurance in force. In 1908 it wrote 243 policies, and that was one of the best years it ever had. The other three companies named have done no better.

For forty-one years the government of Great Britain has conducted an industrial life insurance business through the instrumentality of the postal department. Its rates are even lower than those of the regular industrial companies, and the protection it offers is as safe as the permanence of the British Empire itself. After forty-one years the government insurance department has only 13,261 policies in force—an average of 323 per year—while the total amount insured is about $3,845,690, or an average of $290 per policy! The insurance costs as little as, or less than, that offered by private companies, and there is no question of safety; but as no agents are employed to solicit business, comparatively no business is procured. In 1906 all the post offices of the kingdom secured only 641 policies aggregating $140,000 of insurance.

Government insurance in Germany is more successful for the reason that it is compulsory. Every year nearly $125,000,000 is paid to sick, injured, infirm, or old persons in the way of annuities or weekly payments. Of this amount $62,500,000 is provided for by employers, $51,550,000 by contributions of the insured persons, and

$12,225,000 by the State. A compulsory system of insurance, compelling the working classes to contribute a certain portion of their wages to the general insurance fund, while their employers contribute a larger amount, and the State the balance, might well be successful without the employment of solicitors, but the plan would scarcely be acceptable in this country.

The most successful system of voluntary life insurance conducted by a State is that of New Zealand. Here, however, the government operates on the same plan as the private companies, employing soliciting agents and all other expedients of a conservative, well-regulated insurance office. Nevertheless, the system has not been conspicuously successful in furnishing protection at low cost. While the cost has indeed been reasonable, the Australian Mutual Provident Society, the largest British Company in existence, furnishes life insurance in New Zealand at lower cost than the government department, and for some years has been increasingits business at agreater ratio than the latter.

The first, and so far the only plan of Savings Bank insurance instituted in this country, is that in Massachusetts. An act of the Legislature of that State passed in June, 1907, authorized Savings Banks to establish insurance departments for the issuance of life insurance and old age annuity policies. The purpose of the law is to enable the working class to obtain what is known as industrial insurance at lower cost than the industrial companies can furnish it. The plan was not received with favor by the banks of Massachusetts, only two so far having established insurance departments. These are the Whitman Savings Bank of Whitman, Massachusetts, and the People's Savings Bank of Brockton, Massachusetts. Three other banks, as well as numerous manufacturing concerns, department stores, and other parties act as agents to receive applications and premiums. The law prohibits the banks from employing solicitors or agents to solicit business, the purpose being to eliminate agents' commissions.

This practically is the only item of expense that can be saved, except that the State pays the salaries of the actuary and medical director and the compensation of their assistants, and furnishes stationery, supplies, etc. Without doubt industrial life insurance could be furnished more cheaply if these expenses could all be eliminated, provided that the people would not apply for insurance except on the solicitation of the life insurance agent, and the experience of all the world so far tends to prove the proposition.

The friends and promoters of Savings Bank insurance in Massachusetts discovered very early that this was a real obstacle. Accordingly, a number of prominent manufacturers interested in the enterprise employed, at their own expense, experienced canvassers to push the work of soliciting insurance for the two Savings Banks. The disinterested efforts of the friends of the measure in thus endeavoring to place the business on a prosperous basis are to be commended, but they are, of course, in direct opposition to the Savings Bank insurance idea, and are an illustration of the weakness of the scheme. Ultimately the system must prosper or decline on its own merits.

Now let us consider the plan from the point of view of Savings Banks. Massachusetts Savings Bank officials generally are opposed to the experiment. Some of their objections are embodied in the following abstract from an article contributed to the *American Law Review*, by Alfred L. Aiken, President of the Worcester County Institution for Savings, one of the leading Savings Banks in the State.

"Time alone will demonstrate whether over-the-counter insurance, so undertaken, can succeed, but the question of the moral right of Savings Bank Trustees to undertake such an entirely extraneous venture, and the wisdom of the commonwealth becoming a contributor to such a plan, are both worthy of consideration and open to serious doubt."

The reason that the Savings Banks of Massachusetts

hold the high position that they do in the minds of the people of the State and the country is because of the absolute confidence, bred of experience, in the conservatism, honesty, and success of the management. Depositors have placed their money in the banks, believing that by so doing they establish the relation of beneficiary and trustee between themselves and the banks' directors and officers, the sole purpose of the trust being the careful investment of the depositors' funds, that the interest and profit arising therefrom may accrue to the benefit of the depositors, and no one else. The very foundation of this relation is the confidence of the depositor in the bank.

As a matter of fact, the insurer pins his faith to the reputation of the old Savings Bank, and, no matter how plainly the fact is stated in the policy that none of the five or ten or twenty millions of dollars of assets are available for the satisfaction of his contract, and that only a special guaranty fund that shall not be less than $25,000 is available for him—he cannot separate his faith in his policy from his faith in the bank as a whole. Have the trustees of a Savings Bank any moral right to jeopardize that confidence and good-will by the undertaking of an entirely extraneous business, and to risk backing it with the bank's name and prestige, from which not one cent of direct profit can accrue to the depositor as such?

The answer that the danger is small is not satisfying, for it is not true. There is a popular impression which has been bravely supported by the enthusiastic adherents of the law under discussion, that the life insurance business is of necessity an immensely profitable one. There was never a greater mistake than this. An investigation of the facts is worth while in this connection. According to the Insurance Year Book of 1908, a standard publication and statistical authority, 389 so-called old line life insurance companies have been started in the United States. Of this number, 222 have either retired from business outright or been obliged to reinsure their risks in other companies; twelve were, on January 1, 1908, in the hands of receivers,

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Frederic B. Stevens

SECRETARY, 1910-13

so that approximately sixty per cent. of the insurance companies organized have gone out of business in some way, leaving but 155, or less than forty per cent., still doing business. No better evidence can be prescribed to show the risk involved in such an undertaking.

As further evidence of the risk as a real one, the law makes specific provision for receiverships for the insurance departments of the Savings Insurance Banks. Certainly the sight of a receiver, winding up the insurance department of a bank at one end of the counter, while the very officers, who, through their mismanagement brought about this condition, are still busily engaged in managing the savings department at the other end, would be a severe shock to the faith of the most devoted adherent of the savings department. As a matter of fact, any one at all familiar with Savings Bank depositors as a class knows that the injury to the good-will of the bank would be incalculable; and this good-will is one of its most valuable assets, though an intangible one, an asset that in some cases is the growth of almost a century. Certainly no trustees have the right to risk sacrificing this for the sake of an undertaking acknowledged to be an experiment, and from which the depositors for whom they act can gain nothing.

The wisdom of the commonwealth contributing all the stationery and supplies, and going into the pockets of its taxpayers to pay for them, is a second question worthy of consideration, and one that brings up the whole question of benevolent paternalism. If the State provides policies, ledgers, and premium receipt books free of charge to the insurer in its Savings Insurance Banks, why should it not furnish supplies of the same sort for the industrious and thrifty wage-earners, who are savings depositors in these same banks, and if this is equitable, and for the best of the community, where shall the State stop in its benefactions? The departure is a radical one. The old-fashioned Massachusetts Savings Bank has always been a self-respecting, self-supporting institution, akin to the people who form

its constituency. Have things come to such a pass that it and its thrifty depositors are to become, even to a small extent, charity wards of the commonwealth?

The real question at stake is whether the trustees of the Savings Banks of the State are to so broaden the interpretations of their trust that they are prepared to put behind them the old traditions and practices on which has been built a world-wide reputation for solidity and strength, and venture into new and entirely unknown fields, the fruits of which are at least problematical.

Every fair-minded citizen of the commonwealth would welcome any plan that would mean cheaper and better life insurance for the thrifty wage-earner, but there are many who doubt the wisdom or fairness of a plan that involves the use of the prestige and good name of the Savings Banks for its support, and risks that prestige and good on the success or failure of any such experiment.

Notwithstanding the employment by private parties of many experienced agents to solicit business for the Savings Banks of Massachusetts, their efforts can scarcely be said to have been conspicuously successful. The Whitman Savings Bank began business on the 22d of June, 1908, and on the 8th of June, 1909, after virtually one full year, had $403,790 of business in force, representing 1,131 policies.

The Brockton Savings Bank commenced business November 1, 1908, and on June 8, 1909, it had $303,383 insurance in force, represented by 747 policies. In other words, and to sum up, the idea of Savings Bank insurance was born and fostered by men sincerely interested in the welfare of the wage-earner. It is a laudable attempt to inculcate thrift, and the realization of the desirability for the man of small means to so provide for his family that it will not be plunged into poverty on the occasion of his death. It is an attempt to find a means for him to save and to place his savings where they will do the most good. It opens up a safe field of investment for those who can lay by so little that ordinary securities are beyond them. As such it is wholly admirable.

Unfortunately, however, experience shows that a peculiarity of human nature is a great bar to its practice. Life insurance in any form needs teachers to spread its gospel, and teachers cost money. The agent is expensive, but he is necessary. He is the teacher, taskmaster, and the promoter, all in one. The whole experience of the practice of life insurance throughout the world demonstrates that theory and practice are widely separated, and that neither the Savings Banks nor the business concerns employing wage-earners have as yet devised a scheme whereby men of small earnings can be successfully stimulated to become permanent policy holders without the help of the agent.

CHAPTER XVIII

Eighteenth Annual Convention—Address of President Charles E. Hanaman—Report of the Executive Committee—Proposed Celebration of the Centennial of the Savings Bank Movement in the United States—Opposition to the So-called Grady Bill—The Association Favors the Establishment of a Minimum Surplus by Legislation—Address of Superintendent Cheney of the Banking Department.

THE Eighteenth Annual Convention of the Association was held at the rooms of the Chamber of Commerce, in the City of New York, on Thursday, May 18, 1911. The meeting was called to order by the President, Mr. Charles E. Hanaman, who said:

ADDRESS OF PRESIDENT HANAMAN

It gives me great pleasure to welcome you to this our eighteenth annual meeting. The report of your Executive Committee will acquaint you with the legislative work of the year. It is with deep regret that I am obliged to note the sudden death, during the summer, of your late Treasurer, Samuel D. Styles, whose most efficient service for ten years or more deserves an expression of appreciative recognition. By virtue of the authority given by Article VI of our by-laws, the Executive Committee appointed Mr. Frank M. Hurlbut, President of the Union Square Savings Bank, to fill the vacancy due to the death of Mr. Styles.

A number of articles have appeared in the public prints during the year relative to the shrinkage of the percentage of the market value surplus to the deposits in the Savings Banks of the State, the cause of this shrinkage in addition

to that produced by the decline in the market value of the securities in which our assets are invested being the payment to depositors of an excessively high interest rate. It will be remembered that at our meeting a year ago both the present speaker and the Superintendent of Banks urged most earnestly that our trustees assume a more conservative attitude in this regard, and reserve a larger portion of their earnings for the surplus fund, in order to maintain the high protective power which has always characterized the Savings Banks of the Empire State.

A number of banks gave heed to this advice, among them being several of the largest and strongest banks in the City of New York. It seems to me that the failure of a large number of our institutions to follow suit may be due in some measure to a confusion of mind as to the meaning and real import of the term surplus.

There are four forms in which the surplus of a Savings Bank may be stated: First, the surplus based on the investment value of the bank's securities; second, the surplus based on the par or face value of its securities; third, the surplus based (as required by section 154 of the Banking Law) on the par and market value of the securities, in which securities selling at par or over are estimated at par, while securities selling below par are estimated at their market value; fourth, the surplus based upon their market value alone.

For practical purposes the four forms may be reduced to two, viz.: investment value surplus, and market value surplus. The first, or investment value surplus, represents the excess of assets over liability, when the value of the former is determined by the "amortization" method.

It goes without saying that such a surplus has practically no protective value. It is in large measure an earning surplus and represents the portion of invested assets which are in excess of the liability. But, in a time of stress, when securities must be sold to meet the demands of depositors, it at once gives place to that margin of safety which is represented by the selling value of the securities at

the moment. And this brings us to the second form of surplus, known as the market value surplus.

A moment's consideration will suggest the fact that this surplus cannot be realized nor accurately determined as a whole until the securities have been sold and converted into cash. But this surplus can be estimated from time to time with sufficient accuracy to furnish a basis for calculating a factor which will act as a reasonably accurate gauge of the security of the depositors' money, viz.: the percentage ratio which the selling value of the assets bears to the liability.

The use of this gauge does not require (as some people seem to think) that the trustees shall be continually marking up or marking down the value of their securities with every wave or change in the investment market, but it does mean that when, at regular intervals, an inventory is taken to meet the requirements of our reports to the Banking Department, the position of this gauge or marker may be noted on the safety scale, and the proportion of the semi-annual earnings to be credited to depositors as an interest dividend may be governed thereby.

It seems to me to be simple common sense, that when natural causes beyond the control of the trustees are depleting this surplus, that it is without question our duty to our depositors to retain a sufficient amount of our earnings to keep this gauge or marker well above the danger line. When the mercury in a ship's barometer persists in falling below the 30-inch mark the sailing master begins to prepare for a storm. The storm may not come, but the captain realizes his responsibility for the lives aboard, and to the owners for the safety of the vessel and its cargo. In like manner should we keep an eye on our barometer and note at what percentage mark our ratio-indicator stands, so that we may take in sail when that indicator points to danger ahead, for we also are responsible to our depositors, who are owners.

The depletion of the surplus by an excessive interest rate reminds me of a story that is told of an old colored man

who lived in Washington when the old Freedman's Bank, established for the savings of colored people, was in existence. Old Joe deposited ten dollars in the bank and, at the expiration of two years, attempted to withdraw his money in order to meet some family expense. At the paying teller's window he said: "Mah name is Joseph Jackson and I wants mah ten dollars." "When did you put in dat ten, Mister Jackson?" inquired the teller. "Two yeahs ago," replied Joe. "Two yeahs ago!" exclaimed the teller in astonishment. "Yas, suh," replied Joe. "Well, sholy, Mister Jackson," said the teller, "you ought to know dat in dat time de intrus done eat up de principal. Yor ain' got no money lef' heah." The application of this story is so evident that no comment is necessary.

In an institution where the law requires that the assets shall be kept in invested form, and where there is no capital nor stockholders' liability, a margin of safety or guarantee fund built up from a portion of the earnings is a necessity, for there is no other source from which protection can be looked for to offset any depreciation that may occur in the cash value of those assets. And it was this fact that the framers of our law undoubtedly had in mind when they suggested the accumulation of a surplus which they directed the trustees to "hold to meet any contingency or loss in its business from the depreciation of securities or otherwise."

Now that little verb "to hold" means to maintain, remember that; and then think, have we kept the law in this respect? When this law was framed the danger was that, owing to the large earnings of that day, too large an amount would accumulate and be held as surplus, and therefore a check was placed upon the maximum amount that could be so held. It evidently did not occur to our lawmakers that the time would come when commercialism would compete with philanthropy for the possession of our institutions, and security stand in danger of being lost sight of in a desire for a large liability, and that a mistaken generosity would develop to a point where the surplus

would face the risk of being "eaten up by the interest" paid to depositors. I am well aware that, when securities again appreciate in value, our market value gauge of solvency will ascend the scale, and then will be the time to be generous with our interest dividends.

It seems to me that the only justification for the existence of the trustee or Mutual Savings Bank is that it should afford greater security to the depositor than it is possible for the commercial bank to offer, and this cannot be the case if the importance of the surplus is not more highly regarded than the interest rate. While our Savings Banks are without capital they cannot be regarded nor managed as commercial institutions, nor were they ever intended to be other than purely philanthropic in function. And this being the case, they are necessarily independent in the sense that while no bank is the keeper of any other bank, the trustees of all the Savings Banks of the State are the keepers of one common cause and cannot afford to assume an independence of policy nor a competitive attitude that will be detrimental to the weakest link in the chain.

We hear it said by the exponents of high interest rates: "Why should we not pay these high rates? We have earned them and our earnings belong to the depositors, and it is only right that we should give this money to them." I submit that the legitimate depositor demands of you the unquestioned security of his principal first, last, and all the time, and in order to give him that security you will have to deduct from your earnings for credit to his margin of safety an amount that will offset the shrinkage in the market value of the securities in which, by his order (through the law), you have invested his deposits, and this deduction will cut down your supposed earnings to a much lower level than that in which you have recently estimated them.

The cry for higher interest rates does not come from the legitimate depositor, but from the investor and speculator who is your depositor only for the sake of the income that your mistaken generosity is giving him at the expense and

risk of the frugal poor who desire to use your institution properly—that is to say, for the accumulation and safe-keeping of their hard-earned savings—and no one, rich or poor, should have enough money at any time in a Savings Bank for the income to be an object. The bank, therefore, that seeks and accepts the money of the investor is favoring the comparatively rich at the risk of the poor man, for the deposits of the rich do not shrink with the surplus, and, as I have pointed out elsewhere, in a time of stress the investor depositor is a menace to the bank and to the poor man's deposit.

I am unwilling to believe that any true man would be willing to knowingly make use of a philanthropy for selfish ends, and if no selfish ends are at the bottom of our Savings Bank management to-day, why this competition on a basis so destructive to all the principles of philanthropic endeavor? I believe in ambition properly directed, but I have lived long enough to have learned that misdirected ambition is sure in the long run to defeat its own ends.

Recent experience has shown that the commercialism which has developed in the management of our institutions can be controlled by nothing less than a law. And while I deeply regret that the warnings that have been given by conservative members of this Association, by at least two successive Superintendents of the Banking Department, and through the public prints by such members of our commonwealth as are interested in preserving the philanthropic character of our institutions—while, I say, I deeply regret that these warnings have failed to cause this Association to take the initiative in placing such a law upon our statute books, I hope that you will not allow this meeting to close without instructing your Executive Committee to favor any legislation which will place our institutions most firmly upon the high plane which is consonant with their true function and is the justification for their existence.

I have not held up for your admiration the increase in deposits during the past year, for it seems to me that to

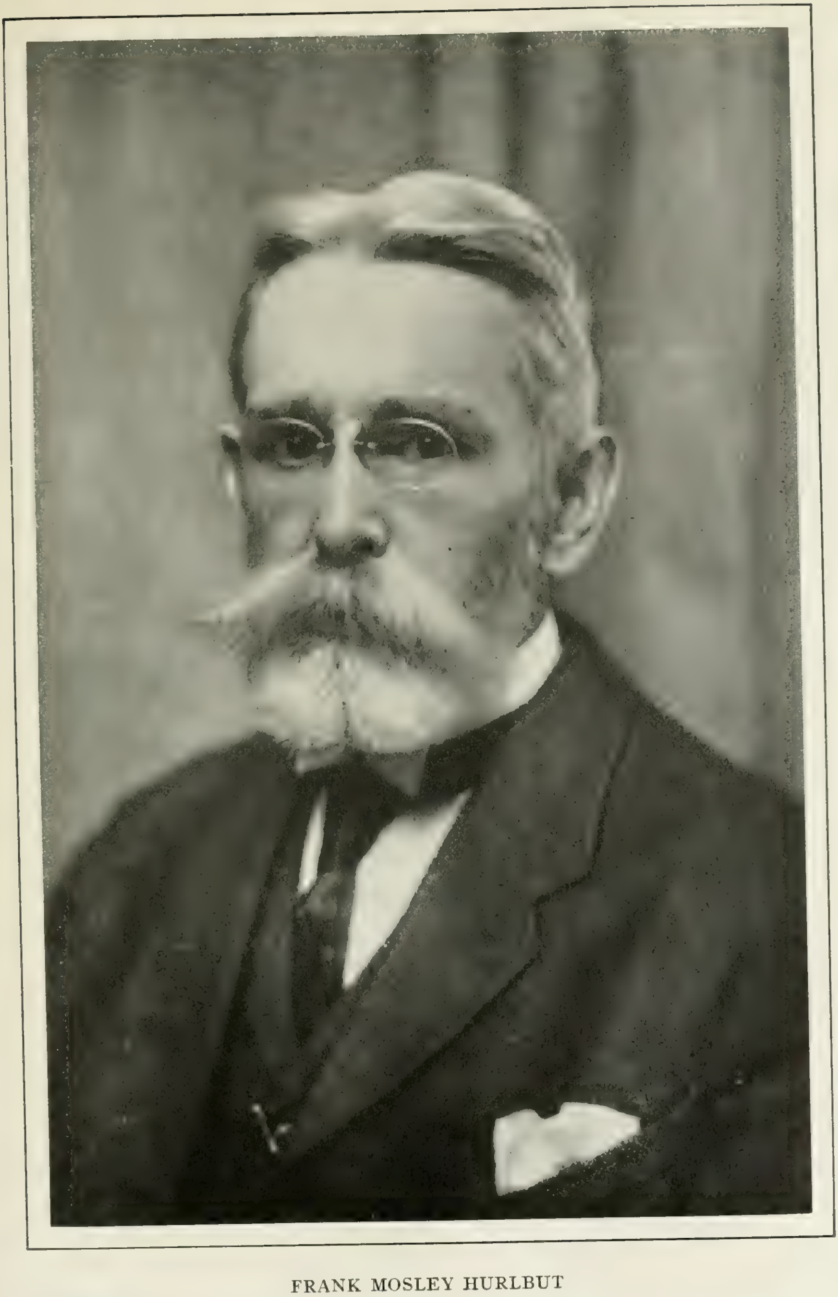
grow larger without a corresponding growth in strength is not a subject for congratulation. I do, however, congratulate you upon the evidence of a return to right principles furnished by the action of some of our largest and strongest banks, to which I called attention at the beginning of my remarks, and I congratulate those banks for having avoided the compelling force of a law which is bound, sooner or later, to become a fact, and I congratulate them for having shown their appreciation of the true function of a Savings Bank and the danger to our institutions of the commercial tendencies of the day.

Let us set before us an ideal that will be high enough, so that although we can never fully attain to it, we may approach it in a manner that will satisfy every call of ambition without defeating our purpose in the end.

Mr. Frank M. Hurlbut, President of the Union Square Savings Bank, New York, was elected Treasurer of the Association, September 22, 1910, in place of Mr. Samuel D. Styles, deceased.

ADDRESS OF SUPERINTENDENT O. H. CHENEY

I appreciate very much the kindly thought of your President in calling upon me and for this evidence of your friendly consideration. I, however, came to this meeting not expecting to say anything. If I had thought that I might have been called upon, perhaps I might have gotten a sermon which I understand was preached a number of years ago by a gentleman, from the text, "We are here to-day and gone to-morrow." In fact, any one might have tossed a coin as to the opportunity which might be afforded me to be present here to-day, but I want to say to you, gentlemen, now that I am here—and those of you who know me I perhaps do not need to say it to—that there is nothing that interests me more than the problem which is presented by the Savings Banks and their condition in this State to-day. I think we have the finest system



FRANK MOSLEY HURLBUT

TREASURER, 1911

known in the history of the world, and I agree heartily with the proposition that we have the finest Savings Bank Law in the world. Through official connection I have had opportunity to ascertain, for my own benefit, and for the purposes of the department, something of the work, the unselfish work, that is being done by the Savings Bank men and their trustees in this State, and it is a record that the State itself will never be able thoroughly to understand, because it will not have the opportunity to get at all the facts. However, if I should say anything to you to-day of import, it would perhaps be somewhat of a repetition of what I had the opportunity of saying to you a year ago, because further experience has confirmed me in my belief that the time has arrived when the Savings Banks Association of this State should take some action upon the problem which is presented to-day. I am glad to see, gentlemen, that your President has prepared for an executive session this afternoon. I hope, Mr. President, I shall have the opportunity to attend that session. I am very anxious to hear what may be said this afternoon upon a subject which is of interest to all of us. I believe that it is a subject that we must meet, and I earnestly call to your attention the importance of meeting it fairly and squarely and not dodging anything.

Gentlemen, I appreciate this opportunity of saying just a word to you again. My interest in the Savings Banks of this State shall always remain, and I shall always look with pleasure upon the opportunities that have been afforded me to become acquainted with you who manage so successfully, so vigorously, and so unselfishly the interests of the savings depositors of this State.

CENTENNIAL OF THE SAVINGS BANK MOVEMENT IN THE UNITED STATES

Mr. Lersner, of the Williamsburgh Savings Banks, said:

The question of the centennial of Savings Banks in this country was possibly induced more by the fact that our in-

stitution was represented at the now memorable centenary last year, held in Edinburg, Scotland, from which an immense amount of good was derived, and it gives me great pleasure to offer this resolution and move its adoption:

Whereas, The year 1916 will witness the Centennial of the Savings Bank movement in the United States, and whereas, this movement has been attended with results so beneficial to the community, the individual, and the nation, therefore, be it

Resolved, That it be the sense of this meeting that the one hundredth anniversary of the introduction of the Savings Banking into this country should be properly commemorated during the above named year, and that a Committee be appointed to act in the matter in conjunction with the Savings Banks Section of the American Bankers' Association, and New York Chapter American Institute of Banking; and that the Philadelphia Savings Fund Society, the Provident Institution for Savings of the Town of Boston, the Bank for Savings in New York, and the Savings Bank of Baltimore, the first four American Savings Banks, be requested to unite in this movement, to the end that this event may be celebrated in a manner becoming its importance.

The resolution was adopted by a unanimous vote.

OPPOSITION TO THE GRADY BILL

Mr. Hurlbut offered the following resolution in connection with Mr. Miller's report upon the so-called Grady Bill in the Senate:

Resolved, That the Savings Banks Association oppose the Grady Bill, Senate Bill No. 1608, in its present form, and urge that no action be taken upon the same at this session of the Legislature, owing to the fact that the session is too far advanced to permit deliberate action.

This motion being duly seconded, was put and carried.

Mr. Mills offered the following:

Resolved, That the Savings Banks Association of the State of New York favor the establishment of a minimum surplus by legislation, and

Resolved, That the counsel for the Association be instructed to embody in the form of bills such suggestions as may be made for carrying into effect the foregoing resolution, and submit them to a special meeting of the Association.

This was duly seconded and adopted.

"THE SAFE AND SANE RATE OF INTEREST"

Mr. James H. Manning said: I am not one of those who have been referred to by the President as boiling over to say something, but I believe as delegates representing the great Savings Bank System of the State of New York it is our duty to take up and discuss, as suggested, some subject or subjects of interest and importance to our institutions. I have attended at least six of these conventions, and while the proceedings have been interesting and instructive, it has occurred to me that there has been an absolute indifference to the discussion of questions that confront us at all times while performing our duties as officers, and which to-day are more vital than they have been in the past. I have been a silent member, and silence is usually construed as giving consent. Things have transpired that have not met with my approval, but I raised no voice, and I fear very much that my case is the case of a good many who gather once a year in this beautiful Chamber of Commerce. I do not propose to take up what would be considered a constitutional question as to whether you and your respective banks have a right or not to pay four per cent., or only three and a half per cent.; but, in line with what the late Superintendent of Banking has said to us, the time has arrived when the Savings Banks of the State of New York must take an offensive, not a

defensive, position. Banking is divided into three classes which are just as distinctive as classes can be: the discount banks, the trust companies, and the Savings Banks. Now I know that in addressing you I am speaking to Savings Bank officers, quite a few of whom are also discount bank directors and trust company trustees. I respect you for the various positions you hold in financial circles, but I contend we should consider matters here today from purely a Savings Bank standpoint. It is our duty not merely to attend the annual convention of this Association and listen to addresses or papers that are certain to be interesting, but it is incumbent upon us to be at our banks the regular number of working hours each day, and to see that the savings entrusted to our care are protected in every sense against the inroads that may be made by banks of discount or trust companies with which we may or may not be connected. The troublesome question as to a safe and sane rate of interest, as I remember, dates back to about the time the trust companies began to grow strong. I do not blame the trust companies for getting all the legislation that they do—it is up to them to protect themselves, to advance their interests, and when we stop to consider that in the State of New York they show, I believe, this last year, a growth of about thirty-six millions, it means that they are up and doing, that they are working together. They have invaded the Savings Bank field, but they have done it openly and fearlessly. I do not blame them, but I do blame the Savings Bank men of the State for being so backward in going forward with legislative measures that mean protection to Savings Bank deposits and depositors.

The time is rapidly coming, if it is not here now when, in order to get on a proper basis in our reports, we will have to standardize market values of securities. That means a great deal, gentlemen, for it will show us all up in our true light, and that has got to be done by the highest body, the Banking Department of the State of New York. It is up to us to ask that department to do it for the protection of

all concerned. I believe every official in the Savings Banks of the State of New York is an honest man, but it is claimed some figures that are presented from time to time in the way of reports are not altogether correct. If they were, reports would not be frequently returned to certain Savings Banks for correction.

I understand that Mr. George Van Tuyl has within an hour been appointed State Superintendent of Banking. He will enter upon his duties as a well-trained and capable trust company man. We must soon let him know where we stand in regard to Savings Bank matters, particularly as to the standardizing of market value of securities twice a year.

Then, too, some plan should be worked out by the Executive Committee and submitted to the Superintendent of the Banking Department that will lead to a better understanding as to just how to base real-estate values when taking a mortgage. When that is done there will be no occasion forthe remarks that are nowand then made to the effect that loans are granted on a seventy or eighty per cent. valuation, when, as we know, they should not exceed sixty per cent.

Those are some things that are vital. As to the question of interest at the rate of three and a half per cent., or four per cent., as I told you, I am not going to discuss that. I believe in the protective power of a surplus, and I am not going to criticise my neighbor, because I think each bank, its officers, and its board of trustees will see that nothing is done that will reflect upon them and upon the great Savings Bank System of the Empire State.

Mr. Beach, of the Rome Savings Bank, Rome: I wish to state that I thoroughly agree with the speaker who just preceded the last speaker in the fact that we ought to take more general part in these discussions, and that the more general these discussions can be made the more vitality and more vim there will be in this organization. We sit here and listen oftentimes, not concurring in what is said and what is done, when we should voice what we really

think. Now I listened this morning to a gentleman who stated that owing to the present excellence of the Savings Bank Law, if they would leave it alone we would get back the confidence of the people. Now, that method of making the statement grated harshly on my ears, because I believe that the Savings Banks of the State of New York not only merit but have the unmeasured confidence of the people of the State of New York. But because we have the best Savings Bank Law in the world does not mean that that law cannot be better. A note of warning was sounded by Superintendent Clark Williams. He called our attention to a weak spot in the law, but the gradual experience of the years has demonstrated the weak spot, and that is that the law does not require and demand of the trustees of the Savings Banks of the State of New York that they maintain a guarantee fund, to guarantee to their depositors the full return of the money which is deposited with them. This wedge started by Superintendent Williams has been followed up by the vigorous methods with which Superintendent Cheney has marshalled the figures and statistics and facts which bear upon this question, and it is due to the Superintendent of Banks for us to voice what we think about these suggestions; and I would like to say that when we have this special meeting, when this question is coming up, that that is a meeting we should go to, and thoroughly understand what we want to ask the Legislature to pass in the shape of a law. There is a law of civics known as the line of least resistance. A river comes down a mountain and follows along down the valley in a crooked way instead of a straight way, because it follows the line of least resistance, but this body of intelligent men does not need to follow the line of least resistance, and we should not remain supine, and not correct, repair, and make new this vitally weak link in our chain.

REMARKS OF SUPERINTENDENT CHENEY

I am very glad to have another opportunity to speak to you. It so happened that since I have the opportunity

of standing on the platform alongside of you, Mr. Chairman, my successor has been confirmed by the Senate. I understand that he takes office next Tuesday, so you can see my time is very short. I therefore appreciate this chance to say just a word on this subject.

I am glad to see that this Association is showing some signs of life. It has been disturbing to find that there were prospects of your doing what was done last year, eating a luncheon and letting it go at that. You must not be loath to meet this subject, for fear that it ought not to receive the light of day. The time has long passed when a subject of this kind can be kept in the dark. The public is becoming educated in financial matters, and it seems to me there is nothing more advisable than for the Savings Bank men to take up a subject of this kind, which every one of us knows, down in our hearts, must be met, and meet it fairly and squarely. I like the idea of my brother member, that the members of the Association should be constructive, that this Association should do something.

Now, it was suggested three months ago, in the annual report of the Superintendent, that this whole subject might be best reached by providing a measure in the law which would compel the Savings Banks to put aside in a guarantee fund a certain percentage of the net profits for the six months period before declaring dividends. Now, that would defeat any necessity for fixing the amount of dividends, and it would accomplish the purpose that we are all seeking to accomplish—namely, the building up of the guarantee fund. It is somewhat alarming to a Superintendent of Banks upon his examination of a Savings Bank, that, two years ago, going back to the previous examination, the institution had two million dollars on deposit, it had a surplus of sixty thousand dollars, and on his recent examination to find that it owed its depositors four million dollars, and its surplus fund was forty-eight thousand. The guarantee fund had been reduced twelve thousand dollars, and the obligations had been increased a million dollars. Now a situation of that kind cannot

be disregarded. It is up to this Association to take such things into consideration. We cannot go on blindly and indefinitely disregarding such conditions, and therefore it seems to me as an Association you should do what the Association promises to do by its action this afternoon, and suggest something in the way of an amendment to the present law that will meet these new conditions. Figures upon that subject have been carefully worked out. I am not going to detail them here to you, but it has seemed to me that it would be very feasible to require of the Savings Banks having a market value surplus of between five and ten per cent. to put aside at each dividend period five per cent. of its net profits, and an institution having a surplus of less than five per cent. in market value should put aside ten per cent. If something of that sort could be done, it seems to me it would be possible and feasible, and if that had been done you would have increased the surplus last year, during 1910, about two and a half times, and we would be getting somewhere. I hope that this Association will bear that in mind, and that this Committee will bear it in mind as one of the suggestions as to one of the possible things that can be done to meet this condition.

SEGREGATION

Mr. Hoyt: I would like to give a little useful information for this Convention on the subject of segregation. The Committee met the Superintendent, and he presented a tentative bill that defines the amount that should be segregated in a commercial bank or trust company, and those banks that pay in excess of the two per cent. on $500 or less. We discussed that subject, and finally appointed a Committee to aid in drafting a bill. The reason I mention this is that I believe that will be the solution of the rate of interest paid to the depositors in Savings Banks. A bank or trust company cannot compete with a Savings Bank deposit, which should be a small deposit, and those banks should keep their reserve. I wish to call the attention of the Association to the fact that there is a report of the law

made to the American Bankers' Association that will give you a very complete account of the extent of segregation that is going on throughout the United States. Massachusetts, Rhode Island, Connecticut, Wisconsin, Texas, and some other States have had it in operation for ten years. In Rhode Island the limit of a segregated account is $3,000. I want to state that this was supposed to be for the interest of the depositor, and was opposed by the banks and trust companies, and to-day the banks and trust companies favor the bill, and would not have it repealed for anything. I advise every member to get that report for 1910, and read it. It is coming in this State.

Mr. Marcus T. Hun, of the Albany Savings Bank, offered a resolution that the Committee which has been requested to report legislation be requested to incorporate into that legislation some provision which should be adequate to provide for a proper increase in the surplus of the Savings Banks of this State.

This was duly seconded and carried.

CHAPTER XIX

Nineteenth Annual Convention—Address of President Hanaman—Amendments Made to the Constitution—The Group System Adopted—Letter from Bank Superintendent Van Tuyl—Remarks of Mr. Coombs on Railroad Bonds—Address by Hon. Clark Williams, ex-Superintendent of Banks, State of New York—By-laws Amended—The Group System Adopted.

IN CALLING the Nineteenth Annual Convention to order, on May 23, 1912, President Charles A. Hanaman, of the Troy Savings Bank, addressed the delegates as follows:

ADDRESS OF PRESIDENT CHAS. A. HANAMAN

Gentlemen: It is again my pleasant duty to welcome you to the annual meeting of our Association, which is convened here to-day for the nineteenth time in its history. The year now closing has been replete with important topics for thought, discussion, and effort. I shall leave to the report of the Executive Committee the description of the legislative work of the year.

It is my sad duty to make official announcemnent of the death during the year of two members of this Association holding official positions. On the 2d of January last my dear friend, the Treasurer of our Association, Mr. Frank Moseley Hurlbut, President of the Union Square Savings Bank of this city, died after a short illness, to be followed on the 1st of March by the death of Colonel Charles Ezra Sprague, a member of our Executive Committee and President of the Union Dime Savings Bank of New York City. The Executive Committee filled the vacancies thus created by the appointment of William H. Rockwood, now Presi-

dent of the Union Square Savings Bank, to the office of Treasurer, and H. P. Brewster, President of the Rochester Savings Bank of Rochester, N. Y., to succeed Colonel Sprague as a member of the Executive Committee.

Pursuant to a resolution passed at our annual meeting in May last a special meeting of this Association was held at the Fort Orange Club, in the city of Albany, N. Y., on the 12th of January, and was called for the purpose of receiving the report of the counsel and of the Executive Committee relative to the form of a bill for the purpose of establishing by law a minimum market value surplus in the Savings Banks of the State. Sixty-nine banks were represented at this meeting, and, after due discussion, the form of the bill presented by the counsel and recommended by the Executive Committee was approved by a vote of sixty-one to eight of the banks represented.

I shall not encroach upon the report of the Executive Committee relative to this subject further than to say that through the opposition of members of this Association the bill was held up until too late to come to a vote in the Legislature before its adjournment. But permit me to point out that if this Association is to be of any benefit to the Savings Banks of this State, disloyalty to the will of the majority must cease. If this Association cannot go to the Legislature with an unbroken front, it would far better remain away.

Our counsel worked with his usual enthusiasm, and with that rare ability for which he is justly noted, to place the real and amply acknowledged needs of the hour in the form of a law which would, in large measure, correct a serious and growing evil with the least possible hardship to the greatest number of Savings Bank depositors, and with the result that, for the time being at any rate, his efforts, after they had become the will of the majority of this Association, are held up, in so far as the Legislature of the moment is concerned, by the disloyal acts and political influence of a very small minority. Such a display of the undemocratic spirit, unless checked in the future,

will soon render our Association practically useless. The usefulness of this Association depends upon the loyalty of the majority to those altruistic principles which gave birth to the Trustee Savings Bank.

One of the chief difficulties to overcome in making a law for the establishment and maintenance of an adequate surplus in our institutions is the spirit of commercialism exhibited in the competitive importance given to the interest rate to depositors. In a practical experience of nearly a quarter of a century, in one of the most difficult environments for Savings Bank work in the State, I have accumulated ample evidence to prove that, if the public has reason to believe in the sincerity and singleness of purpose of the trustees of an institution, and is properly instructed as to the character of the work of that institution, the interest rate is of very little importance as a competitive factor between it and its commercial neighbors, be they commercial banks or commercially managed Savings Banks.

I am very well satisfied of the fact that commercial competition is no bar to the establishment or growth of a new Savings Bank in any environment where there is any real need for such an institution.

One of the most serious evils of the day is the congestion of Savings Banks in small areas, and while there are some counties in the State where no Savings Banks exist, there are, on the other hand, comparatively small cities where Savings Banks are many times too numerous for the needs of the legitimate Savings Bank depositors of the neighborhood. This unfortunate condition of affairs naturally leads to the development of abnormal and commercial practices, which are at the bottom of most of the evils which threaten the future success of Savings Bank work in the State.

Notwithstanding the serious evils with which commercialism has threatened the highest interests of our institutions, we have much to be thankful for in the great good our institutions have accomplished and the growing ten-

WILLIAM H. ROCKWOOD

TREASURER, 1912-13

dency to correct the errors of the past by an increasing number of banks. I have the utmost faith in the sincerity and honor of the great majority of the trustees in our Savings Banks, and I believe that New York State leads the world in its Savings Bank work. With all its weak spots, we have the best Savings Bank Law that the world has ever known, and, under the conditions of our phenomenal growth, our law is appreciated and lived up to in a manner that is worthy of all praise.

And now, gentlemen, as I shall retire from this post of honor at the close of this meeting, I want to express to this Association and to you my colleagues my gratitude for and appreciation of the high honor which has come to me through the bestowal for two successive terms of the highest office in your gift. And let me further say that my retirement from this office will not diminish in the least degree my interest in the Association nor my work in its behalf.

I thank you for your many courtesies and for your loyal support.

REMARKS OF HON. CLARK WILLIAMS

Mr. Clark Williams said: It was three years ago that I had the pleasure of addressing you, then as Superintendent of Banks, and I took occasion and felt it incumbent upon me to give you advice. Now by the courtesy of your officers I am before you again, not as a State officer, but as a plain citizen striving as you all are to earn an honest living and to do something worth while. Therefore, I am not here to give you advice, but to be thankful with you that I am no longer Superintendent of Banks.

I should not feel an easy conscience, however, if I did not briefly revert to the expressions of official opinion of the vintage of 1909. Although the ideas expressed at that time may seem trite to you, I believe they are none the less true. I said: "A knowledge of the general conditions throughout the State compels the conclusion that the greatest offence to economic principles and sound banking lies in the present high interest rate. This evil results, as

I have frequently stated before, from improper competition and an unreasoning desire for quantity rather than quality. Deposits are still a liability and should not be recklessly solicited or procured by the offering of high interest rates at a sacrifice of safety. The practice of this offence against the principles of sound banking is indulged in by banks of discount, by State and national banks, as well as by trust companies, largely through the instrumentality of their so-called interest departments. The Savings Bank, as we all know, in this State is a semi-philanthropic institution. It is created as the depository of the savings of the provident poor. No one can properly benefit or profit by its operations but the depositors themselves. The restrictions laid upon Savings Banks by statute are such as to require the safest possible investments, and the statute also contemplates the largest possible return to the depositors consistent with sound banking. So in the discussion of the rate Savings Banks should pay, it is fair to keep these fundamental principles in mind. But what is the condition at the present time regarding the Savings Banks of the State of New York? We find by comparison of deposits with percentage of surplus which our Savings Banks have laid away from year to year a most remarkable diminution. You are doubtless familiar with the statements which show this result. Suffice it to say that on January 1, 1890, the percentage of surplus to deposits was seventeen per cent., and practically each year since that time there has been a decrease, until it is now seven per cent. Whatever be the reason for this decrease with the falling rate of interest on conservative investments this disregard of surplus in the payment of high interest rates would in time result disastrously for depositors. I am not impressed with the argument that because certain banks are paying at the rate of four per cent. (the Big Four) all should; and, conversely, because certain banks are paying at the rate of three and a half per cent., that all should. But I do believe that so far as Savings Banks are concerned the affairs of each are ad-

ministered by trustees who are competent to discharge the duties imposed upon them by that trust. Conditions in banks may differ, and it is for the trustees in every Savings Bank to determine for themselves the proper rate of interest to be paid to depositors, taking into consideration, as they must, the absolute safety of the principal and the maintenance of the proper surplus reserve to which the present depositor may in fact properly contribute for the benefit of the posterity."

And I then ventured the prophecy that because of the conservatism which characterizes the management of our Savings Banks there would be a general reduction in interest rates. It was left for your determination whether this prediction should come true. If it is right that the interest rate in your bank should be reduced, it lies with you to answer in your good judgment in the interest of those who have entrusted and shall entrust their savings to your care, regardless of the action of your neighbor. If your institution will be any stronger at the present time or in the years to come if you reduce your rate, it is clearly your duty to adopt that policy. This is enough, gentlemen, of the vintage of 1909, and my conscience is satisfied. You doubtless are tired of the interest subject, and I feel somewhat reminiscent to-day; so, if you will permit me, I will take you back to October, 1907, during the trying days of that panic. I am reminiscent for more reasons than one; for, in describing a picture which I shall ask you to look upon for a moment as a matter of Savings Bank history, I am compelled to mention the names of two institutions. On the 21st of October, 1907, I had comfortable employment as an executive officer of the Columbia Trust Company, and I expected to continue in that capacity. On the 22d of October the Knickerbocker Trust Company closed its doors. There has been a union of these companies in the very recent past, as you are aware, and I may state my position as being at the birth of one and the resurrection of the other. I doubt if the newspaper men have yet determined that the union is a morganatic mar-

riage. I think not; but it was just at that time that Governor Hughes asked me to come to Albany. I had never met the Governor in my life until the night he appointed me Superintendent of Banks. I returned on Thursday, and received from Mr. Mills an invitation to visit the Dry Dock Savings Bank the next day; there was to be a meeting there of the Presidents of Savings Banks. I knew very little about Savings Banks, but of course I went there to learn; and I recollect on entering the room I heard a very strong expression of opinion against availing of the sixty-day clause. My neighbor informed me what the sixty-day clause meant. It was stated on that occasion that to avail of that clause would result in discredit to the banking system as a whole, and particularly to the Savings Banks; that there was no occasion for it, as it was evident that the panic was practically over and there was no real reason for general uneasiness. There were those who opposed that view of the conditions, and opposed them strenuously. I was asked to say a few words, and, as I was about to express a half-baked and very academic opinion on the question, I was called out of the room to the telephone. Upon my return, at the risk of rudeness, I interrupted the speaker and announced the fact which I had learned through my chief examiner, that the Terminal Bank, the Jenkins Trust Company, the Williamsburg Trust Company, and the First National Bank of Brooklyn had just closed their doors. It was not more than two minutes before that room was empty. The resolution had been passed. I believe it was on the 25th, that Friday afternoon, that Savings Banks generally determined to avail themselves of the opportunity of postponing the demands of depositors.

Then came a period within which the banks were preparing for resumption. It may be interesting to you to hear of the predicament that the Superintendent found himself in then. By that time I had learned the attitude of the Attorney-General's office regarding the interpretation of statutes generally. I had learned that unless there

was specific permission given by statute for Savings Banks to do certain things we could not consider that they had permission, or that the statutes were permissive in any other particular. The daily records of the department—which, doubtless, are still lodged there—would indicate how many calls we had from our Savings Banks friends, and I shall never forget the friendly advice given me at that time by those for whom I now have the highest regard—those Savings Bank presidents who taught me the rudiments of the business. It was at that time that a former Superintendent of Banks addressed a letter to me officially asking if the Savings Banks would be permitted to borrow. He stated in that letter that he was making some inquiry from the Attorney-General. I communicated by telephone with the Attorney-General at once, requesting that in case he received a letter with a certain man's name at the left-hand corner and postmarked on a certain date that he would not open it, but that, if the letter had been opened, he would kindly withhold his official opinion for the time at least. I foresaw the inevitable result of inquiry from that quarter as to a strict interpretation of the law. As a result, Savings Banks were permitted to borrow, thereby avoiding the sacrifice of depositors' interest by the sale of securities at panic prices. Since that time you all know that there is proper legislative provision for such borrowing, and I trust it will cure that situation for all time to come.

I have one observation to make, which I make because of my experience with banks and with Savings Banks at that time, and I believe you will appreciate the spirit in which I make it. It seems the policy of a number of Savings Banks to rather scatter their deposits with other institutions, probably on the theory that it is safer to have one's eggs not all in a single basket. I believe from my observations and the happenings and the conditions during the panic that perhaps the wisest course would be to choose institutions of undoubted strength, and a few of them, with whom the bank may have close affiliations—institu-

tions which are dependable and strong in any conditions and whose management is appreciative of the obligations which are incurred by the depositary in the interest of the Savings Bank depositor, for those relations in times of stress are of the highest importance to the interests of your institutions.

I have only one more thought, and I do not know that it is novel, but I have given some consideration in the recent past, and particularly since the suggestion of the Postal Savings Bank idea became a fact in practice and has not been successful, so far as I know, in its result generally in this State. I feel that I might easily become a strong advocate of the branch system for Savings Banks in the State of New York. I base this somewhat upon my experience as Superintendent of Banks in being asked to authorize new savings institutions. I think there were only three authorized during the two years that I was in that position at Albany. There is great danger to be met in supplying a new community, or a community which has not had the Savings Bank privilege at its door.

The smaller institution must struggle, and frequently it is not a credit to the general Savings Bank System. It may be thought that the field is well covered, but I know of certain manufacturing communities, thickly populated neighborhoods, that have not the facilities of a Savings Bank. The Superintendent of Banks is hardly justified in establishing new institutions which, as I say, must struggle for their existence; but I can see the possibility of large service for the public if the stronger banks would avail themselves of these opportunities and would lend their confidence in the organization of these branch institutions in such localities. I believe that great strength would be added thereby to our economic structure. I recommend this thought for your consideration, gentlemen, and for the consideration of the Superintendent of Banks.

In closing, I sincerely congratulate you on the great satisfaction your calling must afford you in your unselfish

HAROLD P. BREWSTER

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effort in the interest of those who entrust their savings to your care.

LETTER FROM SUPERINTENDENT VAN TUYL

The Secretary received from Mr. Van Tuyl, who was invited to be present at this meeting, the following letter, under date of April 29:

"My dear Mr. Stevens: I wish to thank you for your kind letter of the 27th instant, inviting me to attend the annual convention of the Savings Banks Association of the State of New York, in the rooms of the Chamber of Commerce, New York City, on Thursday, May 23d, next.

"I can assure you it would give me great pleasure to be present and meet the members of your Association, many of whom I have known for a long time. Unfortunately, circumstances over which I have no control make it imperative that I be in another section of the State on that day. Therefore, I regret that it will be impossible for me to accept.

"I can assure you that I wish your Association all the success it surely deserves, for this department has always been benefited by the suggestions it has received from it.

"With best wishes, I beg to remain,

"Very respectfully yours,

(Signed) "GEO. C. VAN TUYL, JR.,

"Superintendent."

ADDRESS OF PRESIDENT-ELECT BREWSTER

President-elect H. P. Brewster, of the Rochester Savings Bank, addressed the Convention as follows:

Gentlemen: It is with a deep sense of appreciation that I accept the honor which you have conferred upon me in electing me President of this Association, but I take the compliment more as one offered to the Rochester Savings Bank, which I represent, an institution which, through its

eighty-one years of active service, has made for itself a name which stands to-day unimpeachable. We have listened with great interest to-day to the details of the Savings Banks' work in this State, and I shall not tire you or ask your time to listen to any further statistics as regards the growth of the institutions which we represent, but shall invite your attention for a moment to a topic which I think is all important and which has taken so much time of this Association, and especially of the Executive Committee, during the last year. I refer to the question of "Legislation."

At our eighteenth annual meeting the question of promulgating legislation which should be for the benefit of all Savings Banks was referred to a Committee who later on reported to the Association at Albany the result of their conferences, and, after free and thorough discussion, as you all know, the bill, as submitted by this Committee, was approved by the decisive vote of sixty-one to eight.

Later on we were again called together to meet with the joint committees of the Assembly and Senate in the Assembly Chamber at Albany, and a thorough opportunity was given for those present to express their approval or disapproval of the measure. We are well aware that the resolution passed by the Association did not receive favorable attention. The cause for the inaction on the part of the Legislature in regard to the Association's bill is a matter that is still unexplained. Be that as it may, the bill died a natural—or an unnatural—death, and now we are practically back where we were a year ago as regards legislation.

It seems to me that the paramount question at the present time with this Association is, Do we need legislation? Is it necessary? Cries of "No! No!" Possibly that last sentence should be changed to read, Should it be necessary to have additional legislation? What has been the cause for suggesting legislation? Well, one of the causes has been the numerous bills that have been presented to the Legislature, drawn by men connected in their official capacity

EDWIN P. MAYNARD

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as either Senator or Assemblyman, which bills have been drawn by them to meet certain things supposed to exist. If my opinion is correct, your Executive Committee has spent a large portion of their time during the last two years in opposing improper legislation; and it was considered necessary, with the knowledge and experience which they possessed, that they should formulate some legislation that would cover the ground. This was done as stated before, with the result, as is well known, that we remain in just exactly the same position that we were in in 1911.

Now, gentlemen, I bring up for your attention the answer to the question, Do we need legislation? In this State we have one hundred and forty odd Savings Banks, organized under the same law, granted the same powers, and organized for the same specific purpose; and, if my conception of their organization is correct, it is for the purpose of providing a safe place, as stated by Mr. Williams here to-day, for caring for the money of the thrifty. I do not like to call it the money of the—What did you call them, Mr. Williams? (Here the speaker addressed Mr. Clark Williams, who was sitting on the platform.)

Mr. Williams: The provident poor.

Mr. Brewster: I do not like that expression as applied to those people. I think they are the bulwark of this country. In a panic these depositors do not become unnecessarily alarmed. They believe in the institution in which their money is deposited, and are satisfied that it is a much safer place than any other they can find. As I say, my conception of their organization is that it is for the purpose of providing a safe place for caring for the money of the thrifty and safely investing it, paying to the depositors such a rate of interest as may be consistent with safety, and setting aside such portion of the earnings as the trustees may decide upon for a surplus fund. Now, if this statement is correct, then the words "safety" and "surplus" mean the same. We all know that there is a great difference in regard to this question of per cent. to surplus.

It is an academic question and can be argued from many different standpoints. But the fact remains and cannot be gainsaid that the only safeguard which the depositor has, as between success and failure, is the surplus, and it should not be necessary for Savings Banks to have legislation enacted to make them perform their duties properly. There should be in the mind of every trustee and officer of every Savings Bank institution in this State such a desire to safeguard its deposits and to so conduct the institution with which he is connected as to make that feeling of safety to the depositor genuine.

The growth of the Postal Savings Bank, which pays but two per cent. to its depositors, is certainly not based on the interest or dividend which the depositor receives, but has been brought about by the fact that back of its deposits stands the great strength and high purpose of the United States of America. Unless the Savings Banks of this State can offer to the depositors the same guarantee of safety as is offered to the depositors of Postal Savings Banks, then the time is not far distant when the usefulness of the Savings Banks will be but a memory. Legislation? No! It should not be necessary, and if it becomes essential that new laws be enacted, regulating the business of Savings Banks as to the rate of interest or dividend which they may pay, then the officers who have drifted away from the purpose for which Savings Banks were organized have no one to blame but themselves if any hardship may come to the institutions which they represent. I, therefore, plead to-day not for legislation, but for an honest conception of the purposes for which Savings Banks were incorporated. It is up to us, each one of us, to make it unnecessary to be continually discussing the question of new laws to regulate Savings Banks, and we should not be put in the embarrassing position of being called upon to produce or to submit to new laws. Every effort which it is possible for us to put forward toward a solution of the question of safeguarding Savings Banks I pledge you here will be given, but I know

nothing can be accomplished without coöperation on the part of all the Savings Banks, and no successful outcome of this question can be had until such time as those gentlemen who are interested in Savings Banks, whose percentage is close to the danger line, take such action as is necessary to make their institutions sound and safe. Unless we put philanthropy ahead of commercialism, the existence of Savings Banks is simply a matter of time, and I submit that if philanthropy—the love of fellowmen, the high ideal for which these institutions were created—is maintained, then discussions like this and what has occurred during the last few years would be unnecessary. But some say to me that while these are perhaps the correct principles, that it is an impossibility to get all the Savings Banks to look at the question in this light. Well, if that is so, I see but one thing that can be done, and that is to sit patiently by until things get to such a pass as to make a drastic legislation necessary. I have not been able to discover why any one connected with Savings Banks should object to legislation if that legislation tends to strengthen his bank. I have been told by men—some of them I think are in this room—men who were in the banking business before I was born, that there has not been the need, except in minor instances, for the organization of a Savings Bank in the State in the last twenty years. I think probably that is borne out by what was said by Mr. Williams to-day. Of course it has been suggested that the bill regulating the rate of interest would increase the size of the larger banks and automatically wipe out of existence the smaller banks. And I have been told, too, that there are Savings Banks enough at present that are sound and which have the right principle back of them to care for all Savings Bank business that exists. Why, then, this great opposition to safe and sound methods? Can it be that there are in this State Savings Banks that have been organized for the purpose of creating positions for men who have not thoroughly conceived in the organization of their institutions the great purpose for which the

law created them? I do not wish to think that the great Savings Banks of this State, be they large or small, have fallen so low as to commercialize their business. But it is claimed by some people that this is being done, and if it is true, then I have no sympathy for such a bank, and I see no reason for the existence of such a bank.

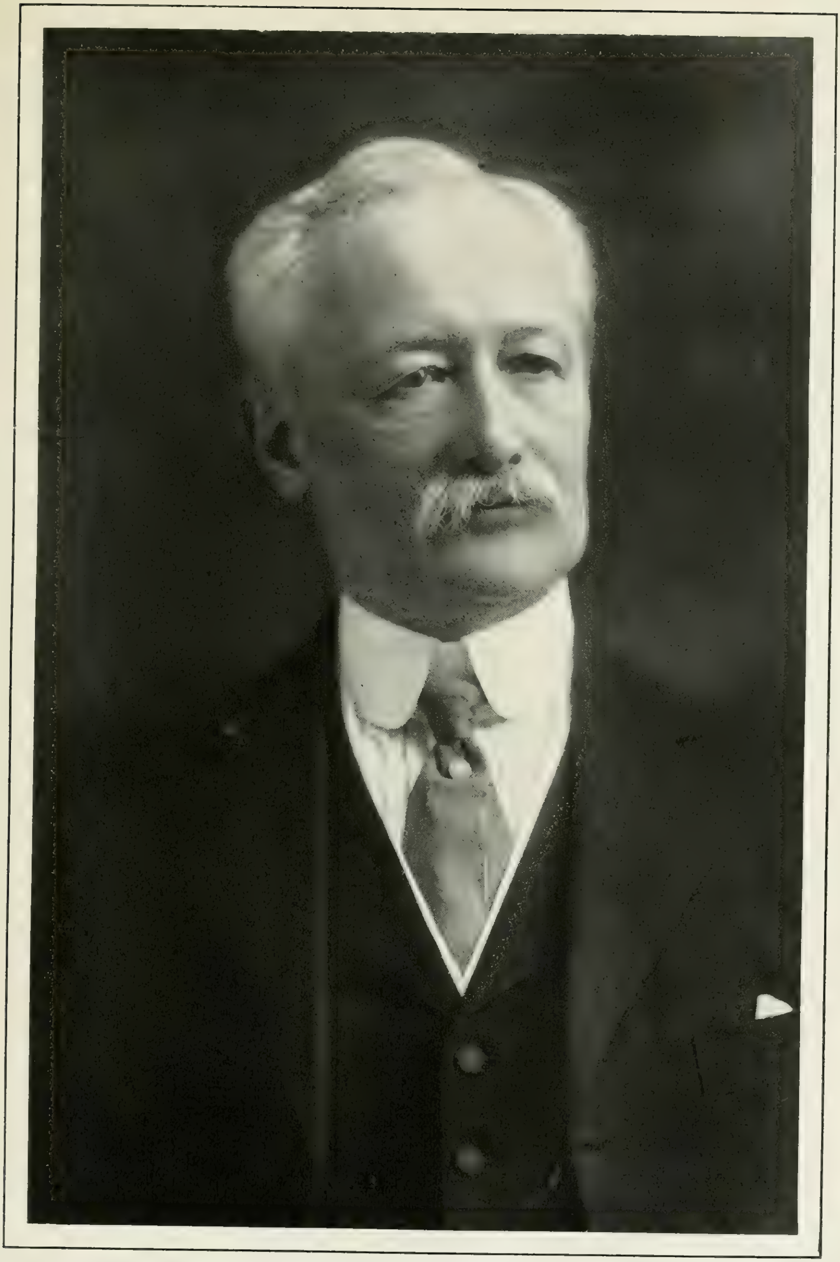
We occupy to-day the position of temporary trustees of a trust fund in which, outside of the ordinary expenses, no man can honestly make a dollar. Why, then, if this ideal is correct, should there be any difference between the safe and sane methods to be employed? We do not need legislation, but if we receive it, and of the kind that means a hardship to many, it will not be the fault of the Legislature, but will be the fault of those institutions who have not conceived the purpose for which they were created.

AMENDMENT OF THE BY-LAWS—THE GROUP SYSTEM ADOPTED

At this meeting Mr. Mills called attention to the fact that at the previous convention a Committee consisting of Mr. Andrew Mills, Mr. Chas. A. Miller, and Mr. Frederic B. Stevens had been appointed to revise the by-laws of the Association, and that after much careful consideration proposed amendments had been prepared and printed copies of the same quite generally circulated among the members of the Association.

Mr. Miller, in explaining the plan, said:

The plan was proposed in recognition of a feeling which seemed to be prevalent among certain of our members that the Association in its past history and at the present time was perhaps too much of a close corporation, especially as to the membership of the Executive Committee, and that an opportunity was not afforded to the up-State members especially to participate in the discussions and to assist in arriving at conclusions regarding Savings Banks manage-



WILLIAM FELSINGER

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ment that they ought to have. The matter was called quite forcibly to my attention by some of the up-State members at the time of our special meeting in Albany, and this plan was suggested. The proposed amendment calls for five groups as follows:

Group 1—16	counties,	12	banks,	and	deposits	$161,000,000
Group 2—15	"	20	"	"	"	109,000,000
Group 3—23	"	34	"	"	"	178,000,000
Group 4— 2	"	42	"	"	"	878,000,000
Group 5— 5	"	32	"	"	"	291,000,000

After a spirited debate, the proposed plan was adopted by a decisive majority.

Group 1.—Chairman, John M. Satterfield, Vice-President American Savings Bank, Buffalo; Secretary, David Hoyt, Treasurer Monroe County Savings Bank, Rochester; Treasurer, John Mackay, Secretary Niagara County Savings Bank, Niagara Falls. Executive Committee: Cassius C. Davy, Attorney East Side Savings Bank, Rochester; F. W. H. Becker, Treasurer Western Savings Bank, Buffalo; H. S. Hanford, Treasurer Rochester Savings Bank, Rochester; Harold P. Brewster, member *ex-officio;* Robert S. Donaldson, member *ex-officio.*

Group 2.—Chairman, Clinton T. Rose, President Onondaga County Savings Bank, Syracuse; Secretary, W. B. Couch, Treasurer Oswego County Savings Bank, Oswego; Treasurer, William H. Meaker, Treasurer Cayuga County Savings Bank, Auburn. Executive Committee: Isaac L. Hunt, President Watertown Savings Bank, Watertown; Samuel H. Beach, President Rome Savings Bank, Rome; Asbury C. Deyo, Treasurer Binghamton Savings Bank, Binghamton.

Group 3.—Chairman, James H. Manning, President National Savings Bank, Albany; Secretary, S. Mitchell

Rainey, Treasurer Hudson City Savings Institution, Hudson; Treasurer, Charles E. French, Treasurer Amsterdam Savings Bank, Amsterdam. Executive Committee: Marcus T. Hun, President Albany Savings Bank; Charles E. Hanaman, President Troy Savings Bank; Allen W. Johnston, Treasurer Schenectady Savings Bank; Frederic B. Stevens, member *ex-officio*.

Group 4.—Chairman, Andrew Mills, President Dry Dock Savings Institution, New York City; Secretary, George E. Edwards, President Dollar Savings Bank, New York City; Treasurer, Edward E. Young, Treasurer Peekskill Savings Bank, Peekskill. Executive Committee: Thomas M. Mulry, President Emigrant Industrial Savings Bank, New York City; Casimir Tag, President German Savings Bank, New York City; William G. Conklin, President Franklin Savings Bank, New York City; Walter Trimble, member *ex-officio;* William Felsinger, member *ex-officio;* William H. Rockwood, member *ex-officio*.

Group 5.—Chairman, Eugene F. Barnes, President East Brooklyn Savings Bank, Brooklyn; Secretary, Henry Stumpf, Cashier German Savings Bank, Brooklyn; Treasurer, George W. Felter, Secretary Greenpoint Savings Bank, Brooklyn. Executive Committee: Edwin P. Maynard, President Brooklyn Savings Bank; Lindley M. Franklin, President Queens County Savings Bank, Flushing; Charles M. Blydenburgh, President Riverhead Savings Bank, Riverhead.

CHAPTER XX

Twentieth Annual Convention—Address of President Harold P. Brewster, of the Rochester Savings Bank—Report of the Nominating Committee and Election of Officers—Trust Accounts Aggregating More than $3,000—Valuable Information Relative to the Banking System of New York—The Banking Law Revision.

IN OPENING the proceedings of the Twentieth Annual Convention of the Association on the 22d day of May, 1913, in the City of New York, President Harold P. Brewster, of the Rochester Savings Bank, said:

ADDRESS OF PRESIDENT BREWSTER

Mr. President and Gentlemen of the Association: With much pleasure I welcome you to this, the twentieth annual meeting of the Savings Banks Association of this State.

The Executive Committee's report will be presented to you, and I shall, therefore, not take your time by any reference to it.

During the past year there have been many important matters brought to the attention of the Association, the most important of which was the Banking Department bills affecting Savings Banks. Of the numerous bills which were introduced by the department, I think but one needs any reference on my part, and that was the bill known as the "Reserve Bill," which has to do with increasing the market value surpluses of the Savings Banks of this State. This bill, as has been stated both by the Legislative Committee and by Mr. Skinner, the Deputy Superintendent, emanated from the Banking Department, was submitted to the Legislative Committee of the Asso-

ciation for their approval or disapproval, and whatever changes were deemed advisable by the Legislative Committee were agreed to by the department. A meeting of the Executive Committee of the Association was held, and the measure was approved by practically a unanimous vote. Later on a special meeting of the Association was held at Albany, at which time by a majority vote the "Reserve Bill" was approved. A public hearing was held before the joint Committee of the Senate and the Assembly on Banking, and arguments were made for and against the "Reserve Bill." The condition of the Savings Banks of this State was thoroughly brought out in the arguments made, and these hearings (as those of you who attended them will remember) were listened to not only by members of the Association but by many members of the Legislature and the public in general. But the bills, as you are all aware, failed of passage, and we, therefore, stand to-day, as regards legislation, in the same position that we have for the last two years; that is, as regards any changes in the laws as they affect Savings Banks.

It is the opinion of a large number of Savings Bank men that the bills presented by the department were moderate and fair, and the only purpose in introducing them was to suggest improvements in the conditions of the Savings Banks of this State, which the department felt were absolutely necessary. Even the opponents of this bill admitted that something was necessary, and that something should be done, but to come to any harmonious conclusion in the matter seemed to be impossible. This lack of harmony which failed to prevail is unfortunate as regards the general condition of the Savings Banks, and it would seem as though such a condition should not exist. We are all, I take it, inspired by high motives in the conduct of the institutions with which we are temporarily connected, and if this Association is to continue as a benefit to the Savings Bank question as a whole in this State, harmony must prevail. It is not necessary for me to say that every man connected with a Savings Bank should have but one idea,

and that is, the highest possible regard for the safety of his institution.

The large depreciation in the market surpluses of the Savings Banks of this State has, of course, been caused by many conditions. In some instances—in fact, in a large majority of cases—it has been caused by a continued depreciation in the price of securities. Added to this (perhaps in some cases), the payment of excessive dividends; but whatever the cause may be, the facts exist, and some remedy must be found which will meet the general approval of all the Savings Banks of this State to correct this unfortunate condition. Unless this Association can agree on some plan, it must sooner or later be referred to the members of our Legislature to act for us, but this would seem unfortunate. Would it not be better that the views of the men, who through years of practical experience have been able to give the valuable advice of long experience, be met with respectful attention, not only on the part of the Legislature of the State, but on the part of the Savings Banks as a whole?

I have in my possession hundreds of letters from trustees throughout the State, men of ability and intelligence, who appreciate the fact that there can be no division of responsibility as between the officers and trustees, but that an attitude of coöperation should exist, and that the officers of the Savings Banks in this State should perhaps take into their confidence and more thoroughly explain and counsel with their co-trustees.

The group meetings which have been held during the last year have, in my judgment, been a most excellent means of drawing into closer relationship all of the Savings Banks of the State. Much was expected in the change in the Constitution which made these groups possible, and I believe much good has been done, for certainly many men have expressed themselves more fully and freely than they have ever been known to do at a meeting of the Association.

This organization, which is the custodian of the enor-

mous fund of the provident poor of this State, has a right to expect from the men who are in charge of these institutions the highest ideals as regards their positions and the work which they are expected to perform. This Association should be all powerful in working toward the harmony of all of the Savings Banks of the State. Nothing, however, can be accomplished without harmony, and that harmony must be real and genuine. I think that a large majority of us feel that in favoring or opposing legislation we should have in mind the whole situation rather than some bill that will affect the particular institution with which you or I may be connected.

Differences of opinion as to methods have existed, and will continue to exist to the end of the world, as regards the right way to accomplish any purpose, and coöperation on the part of all the members of this Association cannot spell but one word, and that word is "success." There is a right way and a proper way to solve this great question which confronts us, and, gentlemen, this question is going to be solved in some way, either by our own uniform action or by legislative action. It is, therefore, up to this Association as a whole to not deal in personalities but to join together, man to man, in their determination to preserve, by every legitimate means which we may possess, the good name and the great dignity with which the Savings Banks have been honored by the people of this State in the years gone by.

EXECUTIVE COMMITTEE REPORT

The first meeting of the Committee was held at the Vanderbilt, in New York City, on October 14, 1912, and the Committee organized by electing the President of the Association as Chairman, and Mr. F. B. Stevens as Secretary.

The President was authorized to appoint a Legislative Committee of three, of which he and Mr. Miller should be members.

Messrs. Miller and Fincke were appointed counsel for

the ensuing year, at a compensation of two thousand ($2,000) dollars.

The Committee adopted a resolution to the effect that it was the sense of the meeting that the Association should support an act or general resolution for the appointment of a commission to revise the Banking Law, so far as it applies to Savings Banks, and directed that the resolution be transmitted to the chairmen of the respective groups, with a request for its immediate consideration by their group.

The second meeting of the Committee was held at the Dry Dock Savings Institution, in New York City, on January 28, 1913, at which bills in relation to the removal of Savings Bank trustees, and oaths of trustees, which had been introduced in the Legislature at the suggestion of the Superintendent of Banks, were approved. Various amendments and alterations were suggested in bills in relation to branch banks and the merger of Savings Banks, as well as to the bill requiring a reserve fund. It was determined further to refer these bills to a special meeting of the Association to be held at Albany.

During the legislative session just past the following bills affecting Savings Banks were enacted by the Legislature, approved by the Governor, and are now laws of the State:

Senator Pollock's bill, providing for the removal from office of trustees of a Savings Bank under certain conditions, is Chapter 95 of the Laws of 1913.

Senator Pollock's bill, requiring all trustees who have not taken oath of office to do so before July 1st, and further requiring annual statements from the trustees to the effect that they are still acting, is Chapter 133 of the Laws of 1913.

Senator Pollock's bill, making it a felony for any officer, trustee, or employee to abstract or wilfully misapply any of the bank's money or property, or to wilfully misapply its credit, is Chapter 102 of the Laws of 1913.

Senator Pollock's bill, legalizing for Savings Bank in-

vestment State bonds issued to refund an obligation which was itself a legal investment, where there has been no default in payment of principal or interest, has become a law.

The following bills passed both houses of the Legislature and are at present in the hands of the Governor:

Senator Pollock's bill for the revision of the entire Banking Law by a commission of five (5), to be appointed by the Superintendent of Banks. This bill has now been signed.

Senator Pollock's bill permitting the Superintendent of Banks to direct a change in bookkeeping methods when the methods in use seem to him unsafe or fail to give him desired information.

Most of the foregoing bills were somewhat modified at the suggestion of the Association, and have seemed to the Committee to be, on the whole, harmless.

The following bills failed of passage either in the House or Senate:

The bill for the merger of Savings Banks; the bill permitting branch Savings Banks; Senator Pollock's reserve bill; Senator Herrick's reserve bill; Mr. Wilmott's bill forbidding the use of loose-leaf systems or card systems in Savings Banks, Senator Griffin's bill in regard to the payment of interest to the executors or administrators of a depositor.

The Executive Committee, in addition to its work in the Legislature, undertook to get Mutual Savings Banks exempted from the provisions of the Income Tax Law, in which they had been included, either by inadvertence or design.

The responses to the telegrams which were sent to all the banks in the State were so effective that the law was immediately amended by inserting a provision that it should not apply to "Mutual Savings Banks not having a capital stock represented by shares."

The total number of bills directly affecting banks received and carefully examined by your Committee was one

hundred and two (102); of these, only those mentioned above appear to be applicable to Savings Banks.

H. P. BREWSTER, Chairman.

ADDRESS OF PRESIDENT MAYNARD

The President (Mr. Brewster): Gentlemen, I have the pleasure of presenting to you your new President, Mr. Maynard.[1]

Mr. Maynard, upon assuming the chair, said:

Gentlemen: To begin with, I would like to say that I am the President of the whole Association. As your Nominating Committee knows, I was not a candidate for the office. They seemed to think that what the Association needed was the services that I could render; therefore I am here at your disposal, to give the best in me for the interests of the Savings Banks Association, and for the interest of the smallest bank there is in it. While we are part of the same system, our circumstances and conditions differ so that it is exceedingly difficult and almost impossible in matters of legislation to enact something that is going to be for the good of the general system, and still at the same time to avoid doing what may seem to be some temporary injury or inconvenience to some one bank. I defy the wisest man that God ever created to do that thing, because it is an impossible situation.

To tell the truth, gentlemen, when I came here this morning I was a little late, and I did not think that the vote was to be taken on the presidency until after luncheon; and I advertently came in here, and I heard a great deal more than I wanted to hear, but I could not get out. Two men next to me were talking about "Maynard." They did not know that I was Maynard until I had to tell them that I was; it got to be so hot. Our friend here that

[1]Mr. Maynard resigned the presidency of the Association when he assumed the presidency of the Brooklyn Trust Company, and automatically First Vice-President William Felsinger, of the New York Savings Bank, became President of the Association, and so continued during the balance of the year.

I see in front of me got up and asked you what Maynard knew about that Reserve Bill. I did not want to sit still and say nothing; but that did not seem to be the time for me to get up and declare whether I was for or against the Reserve Bill; everybody knows that I was for the Reserve Bill, but only because I thought it was for the best interests of everybody. That is past and gone. Let us see what we can do for the interest of everybody. That is my job as President of this Association.

I do not think there is any use in talking any more about that Reserve Bill. We will only hope that the condition of the market will make further discussion of that unnecessary.

TRUST ACCOUNTS AGGREGATING MORE THAN $3,000

It was moved, seconded, and unanimously carried, that a Committee be appointed with power to consider the decision of the Banking Department in connection with all bank accounts, the Committee to have the power to prosecute a case and secure a decision from the Court of Appeals if necessary.

The Committee appointed was constituted as follows: Charles A. Miller, Eugene F. Barnes, George C. Edwards, Marcus T. Hun, and William H. Rose.

Thus closes the twenty-year period intended to be covered by the present history of the Savings Banks Association of the State of New York.

It is a record of earnest, unselfish, disinterested labor on the part of some of the best citizens of the State and nation —men who are looked up to in their respective communities as promoters of thrift, virtue, economy, financial stability, and domestic happiness, men worthy to be trusted in every relation of life. It is also the record of a growth as per-

manent as it is marvellous, and of achievement as substantial as it is brilliant.

If the next twenty years shall show an equal growth and prosperity, the people of the State of New York will be indeed fortunate.

INTERESTING AND VALUABLE INFORMATION PERTAINING TO THE BANKING SYSTEM OF NEW YORK

The following excerpts from the annual report of the Superintendent of Banks of New York, George C. Van Tuyl, Jr., for the year 1913, transmitted to the Legislature March 13, 1914, cannot fail to prove of interest to all connected with banking:

NEW YORK'S COMMANDING POSITION

The banking power of the United States, including capital, surplus, undivided profits, deposits, exclusive of bank deposits and national bank notes issued as circulation, as computed by the Comptroller of Currency, aggregate $23,181,000,000.

The banking power of the New York State banks and trust companies aggregates $2,035,000,000, and the Savings Banks of the State contribute an additional $1,926,000,000, making New York State's percentage seventeen per cent. of the total for all banks in the United States.

The total banking capital, including surplus and undivided profits of all banking institutions in this country, approximates $4,448,000,000. This figure includes the aggregate capital, surplus, and undivided profits of Savings Banks in many States where such banks are operated as stock corporations.

The resources of all banks in the United States aggregate $26,300,000,000, and the resources of the New York State

banks and trust companies $2,230,000,000, or about eight and a half per cent. of the whole, but again, by adding the figures of the Savings Banks ($1,926,000,000), the total is largely increased to $4,156,000,000, or fifteen and eight tenths per cent., the percentage for New York State.

Savings deposits in all the banks of the United States are estimated at $6,972,000,000. The aggregate deposits in New York State Savings Banks are $1,741,000,000, so it appears that the Savings Banks of this State have about twenty-five per cent. of the entire savings deposits of the country. The estimated savings deposits in Savings Banks in the United States, including Mutual Savings Banks, and those operated as stock corporations, aggregate $4,743,000,000, and on this basis of comparison the aggregate deposits in the Savings Banks of this State are thirty-six and three fourths per cent. of the total for the country.

The aggregate resources of the Savings Banks of the State of New York on January 1, 1914, according to figures contained in the annual report of the Superintendent of Banks, were $1,926,334,331.

The amount due depositors at the close of the year 1913 was $1,741,697,466.

The number of open accounts on the same date was 3,143,444.

The dividends paid to depositors for the year aggregated $60,611,029.

The expense per one thousand dollars of assets held in all the Savings Banks of the State was $3.21.

The average amount of each account was $554.07.

There are one hundred and forty Savings Banks in the State at the close of the year 1913, which number has remained unchanged for several years past.

These facts and figures show at a glance the commanding position of the State of New York in the banking power of the United States.

BANKING LAW REVISION

This record of twenty years of labor and achievement would not be complete without a reference to the revision of the Banking Laws of the State of New York, the most important event in the administration of Superintendent Geo. C. Van Tuyl, Jr., the immediate predecessor of Superintendent Eugene Lamb Richards.

The Commission appointed by the Superintendent of Banks to revise the Banking Law, pursuant to the provisions of Chapter 705 of the Laws of 1913, as amended by Chapter 3, Laws of 1914, made its report to the Legislature on February 26, 1914. This report was in the form of a bill containing new Chapter 2 of the Consolidated Laws, embodying a Banking Law adapted to present business conditions, expressed in clear, concise language, and very carefully drawn, which the Legislature at once passed and the Governor signed.

The Commission appointed by Superintendent George C. Van Tuyl, Jr., was constituted as follows:

A. Barton Hepburn, President Chase National Bank, New York, Chairman; Frank M. Patterson, Attorney, New York, Vice-chairman; Charles L. Bernheim, merchant, New York City; Louis Goldstein, Assistant District Attorney, Kings County, Brooklyn; John H. Gregory, Vice-President Central Bank, Rochester; Frank E. Howe, President Manufacturers' National Bank, Troy; Joseph French Johnson, a member of the faculty of New York University; Herbert H. Lehman, private banker, New York City;

Randall J. LeBoeuf, former Judge of the Supreme Court, Albany; Elliott C. McDougall, President Bank of Buffalo; Edwin P. Maynard, President Brooklyn Trust Company; Jeremiah T. Mahoney, Judge, New York City; Charles A. Miller, President Savings Bank of Utica; John J. Pulleyn, Comptroller Emigrant Industrial Savings Bank, New York City; John Harsen Rhoades, Trustee Greenwich Savings Bank, New York City; Leopold Stern, merchant, New York City.

The secretary of the Commission was Edwin F. Rorebeck, and the counsel were John DeWitt Warner and George W. Morgan, both of New York City, and George I. Skinner, the latter gentleman, since March 1, 1897, First Deputy Superintendent of Banks, being able to serve the Commission through a leave of absence granted him for that purpose by the Superintendent of Banks. It is no exaggeration to say that Mr. Skinner's assistance was invaluable to the Commission. Upon the completion of his labors he returned to his original duties as Deputy Superintendent of Banks.

Vice-chairman Patterson served the Commission with great acceptability, devoting all his abundant energies to the difficult and delicate task that confronted the board.

The members of the Commission were representative of the various classes of bankers and banking institutions in this State, of business and commercial interests, and included attorneys with special banking experience and technical knowledge of Banking Law. The Commission was divided into various Committees with special duties, and repeated hearings were given to the various interests affected by the proposed changes in the statute; in addition to this, in order to give the widest possible publicity to the proposed changes and reforms, and to invite

helpful criticisms, redrafts of the different articles of the Banking Law were from time to time submitted to the representatives of these interests. As to arrangement, the Commission sought to make each of the articles of the Banking Law complete in itself and to define terms whenever definition was deemed necessary to a complete and accurate understanding of the language used.

The work of the Commission was somewhat retarded by the repeated postponements in Congress of action upon the present Federal Reserve Act, in view of the necessity of conforming the provisions of the State law to it, in order to create a harmonious and sound financial system.

As to the completed work of the Commission, it seems to be the consensus of opinion among banking men and experts that the new Consolidated Law is a model of its kind, one under which the State's financial interests will be conserved and safeguarded, and at the same time room be left for all legitimate expansion.

APPENDIX

A

LIST OF SAVINGS BANKS IN THE STATE OF NEW YORK

ARRANGED IN THE ORDER OF THEIR INCORPORATION

Together with the Original Incorporators of Each Bank Specially Chartered up to the Passage of the General Act of 1875.

HEREWITH is given a list of the Savings Banks in the State of New York on the first day of January, 1914, arranged in the order of their incorporation, together with a list of the original incorporators of each, up to the passage of the General Incorporation Act, in 1875, after which time the Legislature was forbidden by the revised Constitution to pass special acts of incorporation. It has been thought that such a list will be found valuable for purposes of reference. The data have been obtained at first hand from the Session Laws of the State of New York containing the original acts of incorporation. No one can look over this list, even casually, without being struck by the high character of the men whose names appear among the lists. Almost at random one comes across such as William Bayard, Brockholst Livingston, Chauncey M. Depew, Hamilton Fish, Isaac Newton, and John C. Beekman, in New York; Millard Fillmore and Dean Richmond, in Buffalo; Samuel Blatchford, in Auburn; Matthew Vassar, in Poughkeepsie; Washington Irving, in Tarrytown; Ezra Cornell, Ithaca; Joseph C. Yates, in Schenectady; Esaias Warren, in Troy; Harmon Pumpelly and Abraham Lansing, in Cohoes; Harmanus Bleecker, Charles R. Webster, Jesse Buel, Volckert P. Douw, Erastus Corning, John V. L. Pruyn, William L. Marcy, Thomas W. Olcott, and Ira Harris, in Albany.

For fully half a century, a large part of the time and attention of the Legislature was occupied with the consideration of these special

charters and the subsequent amendment of the same, not only for banks of discount and savings, but in all fields of business enterprise.

An act of the Legislature, as far back as 1782, prohibited any other bank within the limits of the State than the Bank of North America. But the Legislature subsequently chartered State banks from time to time. In 1829 the Safety Fund was created and the appointment of three bank commissioners provided for. The commissioners visited the banks of the State, examined into their condition, and reported the results of their investigations to the Legislature each year. The appointment of a fourth commissioner was authorized in 1840, and the banks of discount organized under the general law were placed under the supervision of the banking commissioners.

The office was abolished in 1843 and the banks required to report to the Comptroller.

The number of trustees designated in the acts of incorporation was not uniform, varying from nine to as many as forty-three. Neither was there any uniformity concerning reports of operations. Many of the charters required annual reports to the Legislature, while others required none at all. Some also required annual reports to be made to the Common Council of the city in which the bank was located. By the General Act of 1857, Savings Banks were required to report semi-annually, on the first days of January and July, to the Superintendent of Banks. Usually the charters of the respective banks provided that the books should be open to the inspection of the Comptroller of the State, or such other persons as he or the Legislature might designate, but as no duty was imposed upon anybody, nothing appears to have been done.

There was no Savings Bank Law in the State of New York, aside from the charters of the several banks incorporated, until the year 1851, when an Act was passed to organize a Bank Department (Chapter 164, Laws of 1851). Under the provisions of this Act a Superintendent was appointed for the period of three years, who was to receive a salary of $2,500 a year. It was provided in the law that all the expenses of administration were to be paid by the incorporated banks. The Constitution of 1846 had forbidden the special chartering of Banks of Discount, though not of Savings Banks, and for many years thereafter the latter continued to be specially incorporated.

These charters were usually granted in perpetuity, subject, of course, to repeal or modification. In many cases special privileges —some of them of doubtful propriety—had been granted, which they desired to retain, while others, quite as naturally, wished to obtain for themselves the same or still greater powers and immunities. Thus, much jealousy was engendered among the banks, and the hectored legislators naturally became cautious, not to say suspicious, as to all of them. In a general way the powers of the banks were regulated, but within certain limitations the trustees were permitted great freedom of action and management.

In the year 1869, by reason of the steady increase in the number of applications for special charters, a law was passed (Chapter 213, Laws of 1869) to regulate and restrict the organization of institutions for savings. This Act required all persons desirous of organizing such banks to set forth a statement for the information of the Superintendent of Banks and to obtain his approval of the proposed charter before submitting it to the Legislature for passage.

In the year 1874 an amendment of the Constitution of New York was adopted by vote of the people, directing the Legislature to enact a *general law* for the incorporation of Savings Banks, and forbidding the passage of special acts. Thus the year 1875 is notable for the passage of a law which not only relieved the Legislature from an embarrassing position, but standardized the Savings Banks of the State. The General Act repealed all provisions of special Acts that were inconsistent with the General Act, thus adding vastly to the financial stability of the banks, as well as to the facility of supervision and inspection.

The Act of 1875, undoubtedly one of the wisest and most comprehensive bank laws to be found on the statute books of any State, properly may be regarded as the foundation of all subsequent legislation on the subject, a fact sufficiently attested by the frequent use of it as a model in numerous other States.

1819

BANK FOR SAVINGS IN THE CITY OF NEW YORK

Chartered March 26, 1819 (Chap. 62, L. 1819). (Act petitioned for by the Society for the Prevention of Pauperism, in the City of New York.) Original incorporators named in the Act: Geo. Arcularius, Wm. Bayard, Noah Brown, Thomas Buckley, Cadwalader D. Colden, Duncan P. Campbell, Francis Cooper, James Eastburn, Henry Eckford, Thomas Eddy, William Few, Philip Hone, John

E. Hyde, Peter A. Jay, Brockholst Livingston, Zachariah Lewis, John Murray, Jr., Dennis McCarthy, Andrew Morris, James Palmer, John Pintard, Abraham Russell, Jacob Sherred, Joseph Smith, Najah Taylor, Jeremiah Thompson, William Wilson, Samuel Wood. William Bayard was the first President; died in office in 1826.

1820

ALBANY SAVINGS BANK

Chartered March 24, 1820 (Chap. 100, L. 1820), on the petition of Wm. James, Charles R. Webster, Jesse Buel, John Townsend, and Joseph Alexander. Original incorporators: Stephen Van Rensselaer, Wm. James, Joseph Alexander, John Townsend, Charles R. Webster, Jesse Buel, Thomas Russell, Volkert P. Douw, John W. Yates, Wm. Durant, Douw Fonda, Simeon De Witt, Peter Boyd, John Spencer, John L. Winne, Wm. McHarg, Matthew Gill, Harmanus Bleecker, and Silvanus P. Jermain.

1823

TROY SAVINGS BANK

Chartered April 23, 1823 (Chap. 232, L. 1823), on the petition of Esaias Warren, Richard P. Hart, Nathan Warren, William Smith, James Van Schoonhoven, and Joseph Russell. Original incorporators: Esaias Warren, Richard P. Hart, Nathan Warren, Wm. Smith, James Van Schoonhoven, Joseph Russell, Derick Lane, Gurdon Corning, David Buel, Jr., Platt Titus, and Thaddeus Mead.

1827

BROOKLYN SAVINGS BANK

Chartered April 7, 1827 (Chap. 77, L. 1827). Original incorporators: David Anderson, Robert Bache, James B. Clark, Andrew Demarest, Charles I. Doughty, Thomas Everitt, Jr., James Engle, Augustus Graham, Andrew Mercein, Hezekiah B. Pierpoint, Peter W. Radcliff, Eleakim Raymond, Robert Snow, Joshua Sands, Clarence D. Sackett, Jeffry Smith, Alden Spooner, Fanning C. Tucker, Adam Tredwell, Peter Turner, Abraham Vanderveer, Losee Van Nostrand, Adrian Van Sinderin, Henry Waring, and Richard Wells.

1829

SEAMEN'S BANK FOR SAVINGS, NEW YORK

Chartered January 31, 1829 (Chap. 17, L. 1829). Original incorporators: Najah Taylor, Rufus Davenport, Silas Holmes, Lockwood De Forest, Peletiah Perit, Peter Remsen, Reuben Brumley, Gurdon Buck, Benjamin Clark, Hubert Van Wagenen, Brittain L. Woolley, Geo. T. Trimble, Gould Hoyt, Benjamin L. Swan, Anson G. Phelps, John R. Hurd, Benjamin Strong, George Douglass, James Lovitt, Jeromus Johnson, Oliver H. Hicks, John Pintard, and Horace Holden.

1831

POUGHKEEPSIE SAVINGS BANK

Chartered April 16, 1831 (Chap. 134, L. 1831). Original incorporators: Wm. Davies, James Emott, James Hooker, Frederick Barnard, Matthew Vassar, Teunis Van Kleeck, Thomas W. Tallmadge, Nehemiah Conklin, Griffin Williamson, Henry A. Livingston, and Stephen Armstrong.

1831

ROCHESTER SAVINGS BANK

Chartered April 21, 1831 (Chap. 207, L. 1831). Original incorporators: Levy Ward, Jr., Jacob Graves, Everard Peck, Wm. S. Whittlesey, David Scoville, Edward R. Everest, Willis Kempshall, Jonathan Child, Ezra M. Parsons, Ashbell W. Riley, Albemarle H. Washburn, Joseph Medbury, Lyman B. Langworthy, Elihu F. Marshall, and Harvey Frink.

[Rochester, at this time, was a village of about 11,000 inhabitants. There were no railroads, but the Erie Canal, then regarded as a magnificent commercial enterprise, had been completed six years previously. Canal packets and stages performed the work now done by the railroads. Rochester was the wheat market for the entire Genesee Valley. Nearly 300,000 barrels of flour were milled in the year 1831. One daily paper, the *Advertiser*, was published.]

1833

GREENWICH SAVINGS BANK, NEW YORK

Chartered April 24, 1833 (Chap. 215, L. 1833). Original incorporators: James N. Wells, Geo. Suckley, Charles Oakley, Stuart F. Randolf, John R. Satterlees, Wm. L. Morris, James B. Murray, Samuel Whittemore, Michael Van Beuren, John De Lamater, Robert Halliday, John Groshon, Washington W. Rodman, Timothy Whittemore, Floyd Smith, Joseph Tucker, Thomas Cumming, D. A. Cushman, Joseph W. Beadel, John Milderberger, Nathaniel Jarvis, John Bolton, David Vandervoort, John Rogers, George Riblet, Gideon Lee, Abraham Van Nest, George P. Rogers, Wm. C. Rhinelander, and Thomas I. Stevens.

1834

SCHENECTADY SAVINGS BANK

Chartered April 29, 1834 (Chap. 205, L. 1834). Original incorporators: Joseph C. Yates, Archibald Craig, Harmanus Peek, Thomas Palmer, Ephraim Benedict, Wm. Cuningham, Alonzo C. Page, Harvey Davis, Wm. A. S. North, Archibald Campbell, George McQueen, John Pangburn, and Cornelius C. Van Vranken.

1834

BOWERY SAVINGS BANK, NEW YORK

Chartered May 1, 1834 (Chap. 229, L. 1834). Original incorporators: Benjamin M. Brown, Anson G. Phelps, David Cotheal, E. H. Warner, Wm. Hibbard, Peter G. Stuyvesant, Jacob Aims, Thomas Jeremiah, James Mills, Andrew C. Wheeler, Francis Fickett, Reuben Munson, Hamilton Fish, Wm. E. Craft, John Wood, Frederick R. Lee, Chas. Dusenberry, Gideon Ostrander, Peter Coutant, Caleb Bartlett, Joseph R. Taylor, Isaac L. Varian, Jacob P. Bunting, Wm. C. Wales, Robert M. Hartley, Wm. Lee, Henry C. Sperry, Nicholas Schureman, Lambert Suydam, Geo. C. Thomas, E. D. Comstock, Samuel J. Willis, Peter Gassner, Peter Pinckney, Jobez Lovett, Samuel Andreas, Wm. J. McNeven John O'Neal, Smith Ovutt, and Luke Usher.

[The building was to be located in the Bowery, north of Grand Street.]

1839

SAVINGS BANK OF UTICA

Chartered April 26, 1839 (Chap. 242, L. 1839). Original incorporators: Thomas Walker, John C. Devereux, Samuel Stocking, Joseph Kirkland, S. D. Childs, Stalham Williams, John Savage, Thomas H. Hubbard, John H. Ostrom,

Hiram Denio, Charles P. Kirkland, James McGregor, J. M. Church, William Francis, and N. Devereux.

1846

BUFFALO SAVINGS BANK

Chartered May 9, 1846 (Chap. 176, L. 1846). Original incorporators: Albert H. Tracy, Millard Fillmore, John L. Kimberly, Noah H. Gardner, Francis J. Handel, Frederick Dellenbaugh, Jacob Seibold, Elijah D. Efnor, Russell H. Heywood, Warren Bryant, Daniel Bowen, Isaac Sherman, William Tweedy, Hiram P. Thayer, Benjamin Caryl, Charles Townsend, Francis C. Brunk, and Ernst G. Grey.

[The amount of the deposits was limited in the charter to $750,000.]

1848

EAST RIVER SAVINGS INSTITUTION, NEW YORK

Chartered April 11, 1848 (Chap. 256, L. 1848). Original incorporators: John C. Beekman, Curtis Peck, Dow D. Williamson, Alexander C. Poillon, Moses Smith, John Harper, Daniel H. Brooks, James R. Wood, Richard L. Schieffelin, Benjamin Drake, Robert L. Case, John Leveridge, Geo. M. Clearman, Elias G. Drake, Henry P. Havens, Thomas Williams, Jr., Daniel Holt, Edward J. Midgely, James A. Williamson, James Appleby, John W. Avery, Henry Dougherty, Geo. B. Whitfield, Robert Bilsborrow, James V. Rich, Lawrence M. Luther, Gardner Sherman, and James R. Rapelye.

1848

UNION SQUARE SAVINGS BANK, NEW YORK

Incorporated as "The Institution for the Savings of Merchants' Clerks," April 12, 1848 (Chap. 324, L. 1848), under the auspices of the New York Chamber of Commerce and the Mercantile Library. Original incorporators: Moses H. Grinnell, James G. King, James DePeyster Ogden, Prosper M. Wetmore, Matthew Maury, Townsend Harris, Thomas W. Groser, Isaac H. Bailey, W. A. Kissam, John J. Palmer, and Wm. H. Macy.

[Began business in Beekman Street.]

1848

DRY DOCK SAVINGS INSTITUTION, NEW YORK

Chartered April 12, 1848 (Chap. 368, L. 1848). Original incorporators: Daniel W. Townsend, Barney Hannegan, Geo. S. Mann, Charles Curtis, Jabez Williams, Jacob Miller, John Briested, Theodosius Secor, Amos F. Hatfield, Robert M. Stratton, Thomas B. Stillman, Robert J. Whittemore, John Dimon, Isaac Newton, and Isaac Shaurman.

1849

AUBURN SAVINGS BANK

Chartered March 12, 1849 (Chap. 92, L. 1849). Original incorporators: Cyrus C. Dennis, Samuel Blatchford, Nelson Beardsley, Sylvester Willard, Charles B. Perry, Spencer Parsons, John L. Watrous, Thomas Y. How, Jr., William Beach, Daniel Hewson, Josiah N. Starin, James C. Derby, and John Olmsted.

1849

SYRACUSE SAVINGS BANK

Chartered March 30, 1849 (Chap. 179, L. 1849). Original incorporators: Harvey Baldwin, Moses D. Burnett, James Lynch, George Gaul, John D. Bur-

nett, Johnson Hall, Harvey Rhoades, Philander W. Forbes, John B. Wickes, Wm. W. Teall, Thomas B. Fitch, Thomas T. Davis, James G. Tracy, Elias W. Leavenworth, George F. Comstock, Harvey Gifford, Thomas Bennett, and William Clark.

1850

ALBANY CITY SAVINGS INSTITUTION

Chartered March 29, 1850 (Chap. 119, L. 1850). Original incorporators: John Taylor, Lansing Pruyn, James Kidd, Erastus Corning, James McNaughton, John V. L. Pruyn, Wm. Humphrey, Watts Sherman, John T. Norton, James Gould, Samuel Pruyn, Henry H. Martin, James Maher, John Knower, John McKnight, Wm. Boardman, John G. White, Ellis Baker, Christopher W. Bender, and Thomas Noonan.

1850

HUDSON CITY SAVINGS INSTITUTION

Chartered April 4, 1850 (Chap. 145, L. 1850). Original incorporators: Oliver Bronson, Robert A. Barnard, Geo. E. Seymour, Mathew Mitchell, Josiah W. Fairfield, Peter Van Duesen, Charles Paul, Alexander C. Mitchell, Peter Hoffman, John Bennett, James Clark, Theodore Miller, and George H. Power.

1850

MONROE COUNTY SAVINGS BANK, ROCHESTER

Chartered April 8, 1850 (Chap. 228, L. 1850). Original incorporators: Levi A. Ward, Everard Peck, Freeman Clarke, Nehemiah Osborn, Ephraim Moore, David R. Barton, Geo. W. Parsons, Wm. W. Ely, Wm. N. Sage, Alvah Strong, Martin Briggs, Thomas Hanvey, Lewis Selye, Moses Chapin, Ebenezer Ely, Daniel E. Lewis, Anson Bronson, Joel P. Milliner, Chas. W. Dundas, John Elwanger, and Theodore B. Hamilton.

1850

MANHATTAN SAVINGS INSTITUTION, NEW YORK

Chartered April 10, 1850 (Chap. 284, L. 1850). Original incorporators: the Mayor and Comptroller of the City of New York, Caleb S. Woodhull, Edwin J. Brown, Silas C. Herring, Eleazer Parmly, Nathaniel G. Bradford, Wm. A. Mead, James Van Norden, Wm. J. Valentine, Jacob B. Herrick, John S. Harris, Jonas F. Concklin, Lewis Beach, Edmund K. Bussing, John S. Williams, Alonzo A. Alvord, Ambrose C. Kingsland, Enoch Dean, Jay Jarvis, Geo. Hastings, Jacob Miller, Denton Pearsall, James Harper, Daniel Burnett, D. Austin Muir, Daniel Kingsland, James C. Baldwin, John P. Ware, Thomas W. Dick, Lewis B. Loder, Luther C. Carter, Henry Stokes, Gilbert Cleland, and Charles Pitt.

1850

EMIGRANT INDUSTRIAL SAVINGS BANK, NEW YORK

Chartered April 10, 1850 (Chap. 290, L. 1850). Original incorporators: Gregory Dillon, Robert B. Minturn, Joseph Stuart, Wm. Watson, Terence Donelly, John Nicholson, Felix Ingoldsby, Andrew Carrigan, Peter A. Hargous, James Kerrigan, John Milhan, John Manning, James Mathews, Hugh Kelly, John McMenomy, Wm. Redwood, John P. Nesmith, and Fanning C. Tucker.

1850

SOUTH BROOKLYN SAVINGS INSTITUTION, BROOKLYN

Chartered April 10, 1850 (Chap. 299, L. 1850). Original incorporators: David B. Baylis, Ira Smith, Gassner B. Lamar, Nicholas E. Luquere, Edward Dunham, Isaac A. Storms, Wm. Spencer, John D. Cocks, James W. Pinkney, Geo. A. Jervis, Edmund Fish, Peter R. Anderson, John C. Riker, Francis B. Stryker, Tunis G. Bergen, Geo. Fletcher, Richard Whipple, Edward A. Lambert, John N. Taylor, Arthur W. Benson, James S. T. Stranahan, Rollin Sanford, Wm. Powers, John Skillman, John C. Smith, and Anthony F. Ostrom.

1851

WILLIAMSBURGH SAVINGS BANK, BROOKLYN

Chartered April 9, 1851 (Chap. 109, L. 1851). Original incorporators: Timothy Coffin, Geo. Ricard, Wm. Wall, Edmund Driggs, John B. Wells, Jonathan S. Burr, Henry P. Freemen, Nathaniel Briggs, John S. Trott, Jr., Richard Lake, Henry Oltmans, Gerhardus L. Demarest, Richard Ten Eyck, Chas. W. Houghton, Isaac Henderson, Samuel M. Meeker, Downing W. Graves, and Wm. M. McCutchen.

1851

COHOES SAVINGS INSTITUTION

Chartered April 11, 1851 (Chap. 138, L. 1851). Original incorporators: Chas. A. Olmsted, Truman G. Younglove, Egbert Egberts, Hugh White, Daniel Simmons, Isaac D. F. Lansing, Henry D. Fuller, Wm. F. Carter, Abraham Lansing, Joshua Bailey, Wm. N. Chadwick, Edward E. Kendrick, Teunis Van Vechten, Andrew D. Lansing, Harmon Pumpelly, Wm. Burton, Joshua R. Clark, Jeremiah Clute, and Miles White.

1851

ULSTER COUNTY SAVINGS BANK, KINGSTON

Chartered April 12, 1851 (Chap. 152, L. 1851). Original incorporators: Cornelius Bruyn, Jonathan H. Hasbrouck, Wm. Reynolds, Maurice Wurts, Thomas Cornell, Henry H. Reynolds, Alvan B. Preston, Geo. A. Dudley, Gilbert Dubois, Aaron B. Dewitt, Wm. Burtt, Edmund Ettinge, Edwin Boddington, Archibald Russell, Cornelius Battelle, James W. Baldwin, Caleb S. Clay, Wm. S. Kenyon, Geo. P. Sharp, Benjamin F. Vallet, and Nicholas Elmendorf.

1851

BROADWAY SAVINGS INSTITUTION, NEW YORK

Chartered June 20, 1851 (Chap. 245, L. 1851). Original incorporators: Jacob A. Westervelt, Schureman Halstead, David A. Wood, Robert Nunns, John Falconer, Francis P. Schoals, Silas C. Herring, Helmus M. Wells, Wilson G. Hunt, Francis W. Edmonds, Francis A. Palmer, Benjamin F. Camp, John Harper, John R. Laurence, John T. Fisher, Leonard Kirby, James S. Libby, Lemuel Bangs, M. Hopper Mott, Peter Morris, Wade B. Worrall, John B. Cornell, and Cornelius L. Everitt.

1851

ROME SAVINGS BANK

Chartered June 30, 1851 (Chap. 324, L. 1851). Original incorporators: Harvey Brayton, Seth Miller, Russel Fuller, Squire Utley, Lewis Rider, James S. Whaley, Andrew C. Bettis, Eri Seymour, Merit Brooks, Calvert Comstock, Nelson J. Beach, Robert B. Doxtater, and Bloomfield J. Beach.

1851

IRVING SAVINGS INSTITUTION, NEW YORK

Chartered July 1, 1851 (Chap. 370, L. 1851). Original incorporators: Caleb S. Woodhull, J. Phillips Phoenix, Edgar H. Laing, Henry R. Conklin, Wm. Radford, Abram Wakeman, Alexander H. Schultz, Vanderbelt L. Buxton, David B. Moses, Wm. S. Gregory, John Anderson, Reuben R. Wood, Henry I. Hart, E. Tilden Blodgett, Mason Thomson, Thomas Carnley, Wm. A. M. Pullis, Alexander McKenzie, Warren Chapman, Henry J. Allen, Charles Jenkins, Geo. H. Bell, David Morrison, Edmund Griffin, Wm. Flagg, Abraham Fraze, Horatio N. Ferris, Richard F. Carman, and John Romer.

1851

WESTERN SAVINGS BANK, BUFFALO

Chartered July 9, 1851 (Chap. 469, L. 1851). Original incorporators: Heman B. Potter, Gaius B. Rich, Harry Thompson, Geo. Palmer, Israel T. Hatch, Seth C. Hawley, George C. White, Dean Richmond, Elijah Ford, Wm. O. Brown, Henry K. Smith, Philip Beyer, Rufus C. Palmer, Francis H. Tows, James Hollister, George W. Tifft, Nelson K. Hopkins, Lewis L. Hodges, John R. Lee, Henry Martin, and Lucius H. Pratt.

1852

NEWBURGH SAVINGS BANK

Chartered April 13, 1852 (Chap. 252, L. 1852). Original incorporators: E. Ward Farrington, John J. Monell, Chas. U. Cushman, Robert L. Case, Robert A. Forsyth, Richard A. Southwick, Odell S. Hathaway, Gilbert C. Monell, David H. Barclay, Adam Lilburn, Samuel W. Eagar, Cornelius C. Smith, Robert Sterling, Robert D. Kemp, Chas. Drake, David Moore, John H. Waters, James I. Crawford, James Patten, Wm. K. Mailler, Benjamin Carpenter, and T. M. Nevin.

1852

METROPOLITAN SAVINGS BANK, NEW YORK CITY

Incorporated April 16, 1852 (Chap. 371, L. 1852), under the name of the Mariners' Savings Institution in the City of New York; name changed February 8, 1865, to the Pacific Savings Bank (though never used), and finally changed to the Metropolitan Savings Bank, New York City, April 28, 1865. Original incorporators: Peter H. Schenck, Adonijah J. Underhill, Russell Dart, Philip W. Engs, John Y. Cebra, Hugh Munro, Samuel Leeds, Charles Miles, Francis H. Abbott, Edward Bridge, Isaac T. Smith, Cornelius W. Thomas, Francis B. O'Connor, James O. Fish, Joseph Jamison, Charles L. Vose, Samuel B. Ashbey, James W. Elwell, Wm. H. Hazard, Nathaniel L. McCready, Stephen Gregory, James J. Nesmith, and Nathaniel L. James.

1853

WESTCHESTER COUNTY SAVINGS BANK, TARRYTOWN

Chartered July 21, 1853 (Chap. 591, L. 1853). Original incorporators: Nathaniel B. Holmes, John Thomas, Elijah Yerks, James W. Smith, Henry Sheldon, Geo. H. Swords, Chas. F. Harrison, James Watson Webb, Jacob Storm, Loyal S. Pond, Nathaniel Bayles, Bela S. Squires, Uriah Field, Josiah Q. Fowler, Andrew D. Archer, Sanford Cobb, Jr., G. D. Morgan, Washington Irving, Edmund Coffin, Shadrick Taylor, Cornelius W. Thomas, Elisha Horton, and Samuel C. Nichols.

1854

BANK FOR SAVINGS, OSSINING

Chartered March 9, 1854, as the Sing Sing Savings Bank (Chap. 55, L. 1854). Original incorporators: Benjamin Brandreth, Aaron Ward, William Fail, M. Churchill, Benj. Moore, Stephen Todd, Rufus L. Todd, David Ludlam, Jr., Joseph Hunt, James W. Robinson, G. H. Brandreth, and C. F. Maurice.

1854

ERIE COUNTY SAVINGS BANK

Chartered April 10, 1854 (Chap. 187, L. 1854). Original incorporators: Henry Roop, Samuel J. Holley, Stephen W. Howell, Richard Bullymore, Chandler J. Wells, Hiram Barton, Abraham D. A. Miller, Wm. C. Sherwood, William Wilkeson, Noah P. Sprague, James Hollister, Stephen V. R. Watson, James Wadsworth, Noah H. Gardner, Wm. Fiske, Gibson T. Williams, Myron P. Bush, Bradford A. Manchester, James C. Harrison, and John R. Evans.

1854

YONKERS SAVINGS BANK

Chartered April 13, 1854 (Chap. 214, L. 1854). Original incorporators: Ethan Flagg, Robert P. Getty, John H. Williams, Wm. Radford, Thos. O. Farrington, Horatio P. Prall, John T. Waring, Edward W. Candee, Henry W. Bashford, Lemuel W. Wells, Samuel D. Rockwell, Wm. L. Atwater, Wm. N. Seymour, Bailey Hobbs, Duncan Macfarlane, Charles Archer, Henry F. Devoe, Geo. Gilroy, Amos W. Gates, James C. Bell, James L. Valentine, Joseph S. Hawkins, Wm. G. Ackerman, John Olmsted, Robert Grant, Wm. W. Scrugham, Jonathan Odell, Benjamin Brown, Fielding S. Grant, Joseph H. Jennings, Geo. H. Bell, Frederick A. Coe, Samuel S. Bairy, John Stilwell, James Scrymser, Josiah Rich, Edward F. Shounard, Henry A. Underwood, Lawrence Post, Jr., Jacob Read, and Cornelius M. Odell.

1854

NEW YORK SAVINGS BANK

Originally incorporated (as the Rose Hill Savings Bank) April 17, 1854 (Chap. 394, L. 1854). Original incorporators: Samuel Perry, James R. Keeler, Barrett H. Van Auken, Wm. H. Platt, Alexander H. Freeman, Peter Y. Cutler, E. S. Brown, Alexander M. Lawrence, Wm. Good, Thomas Cumming, Jr., Robt. H. Gregory, John Sparks, John W. Conklin, Wm. A. Keeler, George Hencken, Geo. C. Baker, and Thomas S. Negus.

1855

ONONDAGA COUNTY SAVINGS BANK, SYRACUSE

Chartered April 10, 1855 (Chap. 259, L. 1855). Original incorporators: Allen Munroe, James L. Bagg, Robt. G. Wynkoop, Geo. Barnes, Perry Burdic, James Foran, John W. Barker, Daniel P. Wood, Wm. E. Abbott, Harlow W. Chittenden, Isaac H. Bronner, Chas. F. Williston, Edward S. Dawson, John Yorkey, Levi W. Hall, Cornelius L. Alvord, and John Fitzgerald.

1855

MECHANICS' AND FARMERS' SAVINGS BANK, ALBANY

Chartered April 12, 1855 (Chap. 379, L. 1855). Original incorporators: Thomas W. Olcott, Wm. L. Marcy, Wm. H. DeWitt, Alden March, Thomas Olcott, Alanson Sumner, Theo. F. Humphrey, Ira Harris, John F. Rathbone, John N. Wilder, and William Kent.

1856

ALBANY EXCHANGE SAVINGS BANK

Chartered April 18, 1856. Original incorporators: Chauncey P. Williams, William Gould, Wm. McElroy, Samuel Pruyn, James McNaughton, Wm. G. Thomas, John S. Perry, Alonzo Bruce, Lansing Merchant, Samuel Anable, Charles E. Gifford, Christopher N. Bender, Charles L. Austin, James A. Gray, Thomas W. Newcombe, Joseph M. Lovett, Sibboleth B. McCoy, John Stuart, Gaius M. Blodgett, and Isaac A. Chapman.

1857

FISHKILL SAVINGS INSTITUTION

Chartered February 25, 1857 (Chap. 52, L. 1857). Original incorporators: Jireh Stearns, Peter McKinlay, John Jaycox, Zachariah V. Hasbrouck, Guernsey Smith, Charles Dubois, Joseph Cromwell, Jr., John Rothery, Adolphus Van Dewater, Charles Cook, Joseph I. Jackson, John H. Rosa, Samuel H. Mead, Lewis H. White, Halsey F. Wolcott, Richard H. Brinckerhoff, Samuel A. Hayt, Coert A. Van Voorhis, John V. Storm, Alexander Hasbrouck, Wm. H. Wells, Henry D. Sherwood, Geo. F. Sherman, T. Van Wyck Brinckerhoff, James E. Van Steenburgh, James Mackin, and Theo. R. Wetmore.

1858

SOUTHOLD SAVINGS BANK

Chartered April 7, 1858 (Chap. 118, L. 1858). Original incorporators: Moses C. Cleveland, Wm. H. Wells, John S. Howell, Joseph H. Goldsmith, Rensselaer T. Goldsmith, James E. Horton, Ezra L. Goldsmith, Nathaniel Corwin, Henry Hutting, Albert Albertson, Franklin H. Overton, Alvah S. Mulford, David L. Horton, Hutchinson H. Case, Therm B. Worth, Henry H. Terry, Israel Peck, Ira B. Tuthill, Henry Pike, Thomas J. Conklin, and Jeremiah Goldsmith.

1859

OSWEGO CITY SAVINGS BANK, OSWEGO

Chartered March 4, 1859 (Chap. 28, L. 1859). Original incorporators: Wm. H. Herrick, Stephen H. Lathrop, Wm. H. Wheeler, Thomas Kingsford, Royal L. Mack, Wm. O. Hubbard, Orville J. Harmon, John N. Collins, Enoch B. Talcott, Joel Turrill, and Sylvester Doolittle.

1859

JEFFERSON COUNTY SAVINGS BANK, WATERTOWN

Chartered April 5, 1859 (Chap. 135, L. 1859). Original incorporators: Jason Clark, Adriel Ely, James I. Steele, Abner Baker, Bernard Bagley, Wm. Estes, Patrick O'Dougherty, Alonzo Maxon, Clark Hewitt, Ambrose W. Clark, Orlen Wheelock, John E. Dodge, Willard Ives, Benj. F. Hotchkiss, Lafayette E. J. Bigelow, Peter Haas, Charles B. Hoard, Merritt Andrus, Chas. D. Smith, Fred. Emerson, D. C. Tomlinson, and John L. Marsh.

1859

GERMAN SAVINGS BANK, NEW YORK

Chartered April 9, 1859 (Chap. 210, L. 1859). Original incorporators: Daniel F. Tiemann, C. Godfrey Gunther, August Belmont, John W. Schmidt, Wm. Jellinghaus, Henry L. Keyser, Wm. Auferman, Wm. Loeschigk, R. A. Witthaus, Edwin O. Oelrichs, Robert Schell, G. Henry Koop, Augustus Weismann, Jacob Windmuller, O. Ottendorfer, Anthony Dugro, Charles Brueninghausen, Chas. Brensing, Geo. Ebbinghausen, Hieronomus N. Wilhelm, F. Wiegand, Otto Ernst, P. Bissinger, Theodore Vietor, and John Loser.

1859

DIME SAVINGS BANK OF BROOKLYN

Chartered April 12, 1859 (Chap. 248, L. 1859). Original incorporators: Cyrus P. Smith, Daniel Embury, Harold Dollner, Josiah O. Low, Moses S. Beach, Isaac H. Frothingham, Elwood Walter, Moses F. Odell, Geo. Hall, Wm. W. Edwards, Thomas H. Sandford, Henry Rowland, Alanson Track, John A. Cross, David Farley, Wm. Ellsworth, Samuel S. Powell, Peter O'Hara, Richard Field, Edwards W. Fiske, John Halsey, Sherman H. Sterling, Adolph Koop, Charles J. Lowrey, Conklin Brush, Isaac Carhart, John H. Baker, Jacob H. Sackman, Daniel Chauncey, Stephen Haynes, and Albert H. Osborn.

1859

UNION DIME SAVINGS BANK, NEW YORK

Chartered April 12, 1859 (Chap. 247, L. 1859). Original incorporators: Maltby G. Lane, Geo. Seeley, Joseph U. Orvis, Harrison Hall, Aaron Close, John McLean, Francis Frederick Guenther, Andrew Bleakley, Ezra Smith, Sillick Nichols, Wm. S. Whitlock, Edward D. Nelson, Silas B. Dutcher, James Shaw, Chas D. Bailey, Augustus F. Dow, Wm. T. Hemmenway, Henry W. Smith, Bradbury M. Johnson, Emanuel Schloss, Gardner S. Chapin, Napoleon I. Haines, Alexander Rich, Daniel Buhler, Eder V. Haughwout, Wm. S. Fogg, Solomon L. Hull, Charles C. Leigh, Mathias Clark, John Creighton, Wm. H. Albertson, Wm. Watt, John Wetterau, and Isaac Dayton.

1859

QUEENS COUNTY SAVINGS BANK, FLUSHING

Chartered April 14, 1859 (Chap. 342, L. 1859). Original incorporators: Henry Clement, Joseph H. King, Abraham Bloodgood, John D. Locke, Conrad Poppenhusen, Edward J. Mann, Alfred C. Smith, William Cock, Luther C. Carter, Wm. T. Hemmenway, Robert B. Parsons, David S. Williams, Spencer H. Smith, Robert Lowden, Chas. A. Hamilton, Robert Bell, Wm. H. Peck, James B. Parsons, Wm. H. Roe, Edward A. Lawrence, Simon W. Bowne, John E. Keeler, Frederick W. Lawrence, Wm. H. Stiles, Walter Bowne, Gilbert C. Halsted, John H. Brower, Geo. W. Peck, John Cryder, Peter R. Mumford, Edward E. Mitchell, John W. Lawrence, Rufus Leavitt, Cornell Peck, Walter Jaggar, James M. Lowerre, Wm. Chisholm, Henry A. Bogert, Wm. H. Wilkins, and Frederick Koenig.

1859

PEEKSKILL SAVINGS BANK, PEEKSKILL

Chartered April 18, 1859 (Chap. 432, L. 1859). Original incorporators: Geo. F. Hussey, Wm. Nelson, James Brown, George Dayton, Thomas Southard, Edward Wells, Truman Minor, Cyrus Townsend, James B. Brown, Isaac L. Varian, Nehemiah S. Jacobs, Chauncey M. Depew, Benj. H. Field, Gilbert B. Hart, Wm. Rufus Nelson, Uriah Hill, Jr., Calvin Frost, Daniel J. Haight, Edwin Briggs, Robert A. Depew, Orrin Frost, John Henry, Edward Underhill, and Saxton Smith.

1860

CITIZENS' SAVINGS BANK, NEW YORK

Chartered April 5, 1860 (Chap. 166, L. 1860). Original incorporators: Marshall Lefferts, Lorenzo Draper, John A. C. Gray, Fletcher Westray, Louis Naumann, John Bowne, Sylvester R. Comstock, T. Bailey Myers, Theodore G. Glaubensklee, Chas. F. Briggs, Samuel C. Swartz, Edward Robinson, Jr., Chas. T. Rodgers, F. Willis Fisher, M. D., Thomas J. Gildersleeve, Daniel Butterfield,

P. D. Orvis, Thurber Bailey, Frank W. Ballard, Wm. Rockwell, M. D., Francis M. Harris, Richard C. McCormick, Andreas Willman, Royal G. Millard, Frederick Schwedler, Samuel A. Banks, Geo. R. Howell, Seymour A. Bunce, James C. Harriott, and Wm. Ebbett.

1860

KING'S COUNTY SAVINGS INSTITUTION, BROOKLYN

Chartered April 10, 1860 (Chap. 214, L. 1860). Original incorporators: Wm. Marshall, Wm. A. Cobb, John Loughran, John M. Furman, Jonathan H. Stanston, Andrew B. Hodges, Frederick Scholes, Henry E. Ripley, Thomas C. Moore, Thomas W. Field, Charles H. Fellows, Geo. C. Bennett, Jacob Zimmer, John Schneider, Geo. B. McGrath, and Jeremiah Johnson, Jr.

1860

RHINEBECK SAVINGS BANK, RHINEBECK

Chartered April 12, 1860 (Chap. 336, L. 1860). Original incorporators: William Kelly, Lewis Livingston, Freeborn Garrettson, Joshua Bowne, Wm. B. Platt, James A. A. Cowles, Egbert Statas, Robert Massoneau, Ambrose Wager, John N. Cramer, Homer Gray, John Glestrom, Alfred Drury, Jacob G. Lambert, Wm. H. Brown, Tunis Wartman, George Veitch, William Cross, William Carroll, and Thomas Edgerly.

1860

SAG HARBOR SAVINGS BANK, SAG HARBOR

Chartered April 12, 1860 (Chap. 312, L. 1860). Original incorporators: David Congdon, Nathan N. Tiffany, Wickham S. Havens, Wm. Buck, John Sherry, J. Madison Hunting, Wm. H. Gleason, Edwin Rose, Thomas E. Crowell, Jonathan Fithian, Geo. B. Brown, Abel C. Buckley, Geo. W. Hunting, Jonas Winters, James L. Haines, Philander R. Jennings, John C. Hedges, Chas. N. Brown, Jason M. Terbell, Nathaniel Topping, Wm. Adams, Elisha King, Isaac W. Osborn, Jedediah Conkling, Joshua B. Nickerson, Jeremiah T. Parsons, Gilbert H. Cooper, Nathan P. Howell, David H. Huntling, and Alanson Topping.

1860

FRANKLIN SAVINGS BANK, NEW YORK

Chartered April 14, 1860 (Chap. 409, L. 1860). Original incorporators: Lebbeus B. Ward, Joseph Potter, Charles G. North, Thomas M. Patridge, Geo. T. Cobb, Francis B. Guest, Alfred T. Serrell, Oliver H. Lee, John M. Grane, Theodore Hyatt, Benjamin P. Fairchild, John F. Betz, Patrick Treacy, Samuel Newby, George Crouch, James Moore, Geo. H. Beyer, Henry McLean, Andrew V. Stout, Henry Bucking, Peter Valentine, John O'Neil, Matthew Helck, David R. Doremus, Christopher Hitzelburger, Oliver Charlick, Amos M. Lyon, James F. Chamberlain, Jeremiah Crowley, Thomas L. Braynord, John B. Hillyer, Noah A. Childs, and John O'Keefe.

1860

EAST BROOKLYN SAVINGS BANK, BROOKLYN

Chartered April 17, 1860 (Chap. 496, L. 1860). Original incorporators: Samuel C. Barnes, Barnet Johnson, John M. Phelps, Edwin H. Mead, Joseph Oliver, Thomas D. Hudson, Egbert K. Van Buren, Seymour L. Husted, Charles Halsey, Jeremiah J. Rappelyea, Jeremiah Johnson, Henry Boerum, William Halsey, James H. Hutchings, James M. Green, Frederick Scholes, and Richard Olmstead.

1863

HARLEM SAVINGS BANK, NEW YORK

Chartered April 17, 1863 (Chap. 175, L. 1863). Original incorporators: Daniel T. Tieman, Jorden L. Mott, Cornelius W. Van Voorhis, Levi Adams, Bartlett Smith, Henry G. Hadden, Wm. Brown, Samuel A. Hills, Louis Broei, Charles Boice, Thomas B. Tappen, A. P. Wilson, Henry P. McGown, Louis Hart, E. S. Marshall, Jacob M. Long, Andrew Smith, Charles B. Tooker, George Ebert, Edward Jones, Alexander Lytle, J. O. Terrington, William Klinoz, J. W. Gilley, Henry Schubert, Spencer Gregory, Henry Baumen, and J. Rosenbourgh.

1864

STATEN ISLAND SAVINGS BANK, STAPLETON

Chartered April 6, 1864 (Chap. 129, L. 1864). Original incorporators: William Fellows, Geo. Francis Shaw, David J. Gardner, Thomas Conrad, Wm. Carey, Geo. B. Davis, John Bechtel, Wm. C. Anderson, Dwight Townsend, John Lewis, Dennis Keeley, Henry M. Weed, Abraham Ellis, Jacob B. Ward, and Wm. McLean.

1864

CAYUGA COUNTY SAVINGS BANK, AUBURN

Incorporated April 16, 1864, as the Mutual Savings Bank of Auburn (Chap. 212, L. 1864). Name changed to the Cayuga County Savings Bank, of Auburn, July 1, 1875.

Original incorporators: James S. Seymour, Augustus Howland, Cyrus C. Dennis, Elmore P. Ross, Edwin B. Morgan, Corydon H. Merriman, Christopher Morgan, Benjamin B. Snow, Wm. H. Seward, Jr., Theodore M. Pomeroy, Horace T. Cook, Samuel Adams, Gurnsey Jewitt, Horatio J. Brown, David Tompkins, Daniel Hewson, and Morel S. Fitch.

1864

DIME SAVINGS BANK OF WILLIAMSBURGH, BROOKLYN

Chartered April 19, 1864 (Chap. 239, L. 1864). Original incorporators: Wm. Grandy, Wm. W. Armfield, John R. Jurgens, Geo. B. Smith, Joseph W. Thomas, Wm. Marshall, James Pell, James Broughton, Silas W. Brainard, Geo. W. Kelsey, Geo. Nichols, Peter M. Dingee, James Forster, Isaac Bamber, Adam Craig, Wm. M. Raymond, Adolph E. Jacobson, Edward Burcham, Frederick Nislwitz, Henry Harmon, C. E. Bertand, Sigismund Kaufman, and Robert Butcher.

1865

PORT CHESTER SAVINGS BANK

Chartered March 14, 1865 (Chap. 119, L. 1865). Original incorporators: Philip Rollhaus, Amherst Wight, Jr., Robert McNeil, Wm. E. Ward, Ephraim Sours, Wm. P. Abendroth, Geo. H. Lounsbury, Alvah A. Lyon, Wm. L. Bush, Richard Vaughn, Samuel K. Satterlee, Daniel Strang, John E. Marshall, John W. Mills, Wm. P. Van Rensselaer, and James Shea.

1866

ONEIDA SAVINGS BANK

Chartered February 19, 1866 (Chap. 53, L. 1866). Original incorporators: James Barnett, Ralph H. Avery, John J. Foote, John M. Wilson, Thompson E. Barnes, Geo. H. Sanford, Samuel Breeze, James A. Bennett, Theodore F. Hand, Edward C. Saunders, George Berry, Goodwin P. Loper, Timothy G. Seeley, Milton Barnett, Ambrose Hill, I. N. Messenger, and Daniel G. Dorrance.

1866

MIDDLETOWN SAVINGS BANK

Chartered March 5, 1866 (Chap. 104, L. 1866). Original incorporators: Edward M. Madden, Horatio R. Wilcox, Wm. M. Graham, John G. Wilkin, James B. Hulse, Joshua Draper, Charles C. McQuaid, Elisha P. Wheeler, Leander Crawford, Israel H. Wickham, Wm. Evans, Charles B. Roosa, Benjamin W. Shaw, Hiram Brink, Jonathan M. Matthews, Selah R. Corwin, Halstead Sweet, Wm. S. Webb, John H. Bell, Coe Robertson, and Charles H. Van Wyck.

1866

MECHANICS' SAVINGS BANK, BEACON

Chartered March 5, 1866 (Chap. 103, L. 1866). Original incorporators: Walter Brett, John Rothery, Wm. C. Oakley, James Mackin, R. D. Hine, T. J. B. Schenck, Joseph Howland, David Davis, Joseph Lomas, Wm. S. Verplanck, John F. Gerou, John Boyce, Henry H. Hustis, Horatio N. Swift, Thomas Aldridge, Milo Sage, Lewis B. Ferguson, John T. Smith, Wm. H. Rogers, Wm. B. Budd, Lyman Robinson, James E. Member, Wm. N. Vanderwerker, Daniel Brinkerhoff, and John Jay Cox.

1866

PEOPLE'S SAVINGS BANK, YONKERS

Chartered April 5, 1866 (Chap. 405, L. 1866). Original incorporators: Robert J. Douglass, Andrew Archibald, Orrin A. Bills, Jonathan Vail, Wm. Radford, Wm. B. Edgar, Geo. B. Skinner, James P. Sanders, Wm. Macfarlane, Geo. F. Coddington, John Phillips, Thomas F. Morris, Eli S. Seger, Nelson Ackert, Levi P. Rose, Henry F. Brevoort, Peter U. Fowler, Michael W. Rooney, Clinton M. Davis, Geo. B. Pentz, and James W. Mitchell.

1866

CORTLAND SAVINGS BANK

Chartered April 13, 1866 (Chap. 557, L. 1866). Original incorporators: Wm. R. Randall, Hiram J. Messenger, Thomas Keator, Jedediah Barber, Geo. W. Bradford, Perrin H. McGraw, Henry Stephens, Frederick Hyde, Horatio Ballard, Henry S. Randall, R. Holland Duell, Hiram Crandall, Horace P. Goodrich, James W. Sturtevant, Alphonzo Stone, Silas Blanchard, Raymond P. Babcock, Nathan Smith, Daniel E. Whitmore, and Stephen Patrick.

1866

SKANEATELES SAVINGS BANK

Chartered April 16, 1866 (Chap. 600, L. 1866). Original incorporators: Richard Tallcott, Anson Lapham, Charles Pardee, Joel Thayer, Henry L. Roosevelt, Caleb W. Allis, John Barrow, Josiah Garlock, Henry T. Webb, Henry J. Hubbard, Thomas Isom, Jr., Leonard H. Earll, Ezekiel B. Hoyt, Geo. H. Earll, and Jacob L. Clift.

1866

JAMAICA SAVINGS BANK

Chartered April 20, 1866 (Chap. 717, L. 1866). Original incorporators: John A. King, James A. Fleury, Morris Fosdick, Aaron A. Degrauw, Wm. Phraner, John J. Armstrong, James Rider, James H. Elmore, Daniel Garrison, Stephen L. Spader, Wm. A. Lighthall, Wm. Durland, John Gracy, John O'Donnell, Sr., Martin J. Duryea, John W. Demott, Ascan Backus, John H. Seaman, and John N. Brinckerhoff.

1866

NORTH RIVER SAVINGS BANK, NEW YORK

Chartered April 20, 1866 (Chap. 739, L. 1866). Original incorporators: Martin Thatcher, Geo. W. Palmer, Samuel B. Garvin, John Hooper, James W. Ranney, M.D., Alexander Wilder, Samuel W. Sears, John Graham, Theron. R. Butler, Robert Usher, Jr., Henry J. Seaman, Charles M. Whiley, Matthew McDougall, George Keyes, C. Y. Wemple, Edward Schlichting, Charles Kochler, James O. Bennett, Meyer Eiseman, John Holzderber, Frederick Schutz, Robert L. Darragh, Henry Richard, Adolphus C. Rau, Gustavus Levy, A. Sidney Doane, Edmond Connelly, and Edson F. Emery.

1866

GERMAN SAVINGS BANK, BROOKLYN

Chartered April 20, 1866 (Chap. 714, L. 1866). Original incorporators: Joseph Wilde, Wm. Broistedt, Geo. H. Fisher, John Wills, Thomas Cotrell, John Raber, J. A. G. Comstock, Jacob Fint, Francis Swift, Frederick W. Kalbfleisch, Geo. Destler, Edward A. Jones, Carl Wittman, Jacob Rosengarden, Frederick Fries, Herman Thieme, Edward Roehr, John Wigand, Louis Zechiel, Gottlieb Engels, and John J. Hallenbeck.

1867

MECHANICS' SAVINGS BANK, ROCHESTER

Incorporated April 17, 1867 (Chap. 411, L. 1867). Original incorporators: Geo. R. Clark, Patrick Barry, Lewis Selye, Thomas Parsons, Geo. J. Whitney, Geo. G. Cooper, Jarvis Lord, Samuel Wilder, Martin Reid, David Upton, Chas. H. Chopin, Gilman H. Perkins, Hamlet Scranton, Oliver Allen, Edward M. Smith, Abram S. Mann, Charles J. Burke, Chauncey B. Woodworth, A. Carter Wilder, James M. Whitney, and Eleazer E. Sill.

1867

BINGHAMTON SAVINGS BANK

Chartered April 18, 1867 (Chap. 423, L. 1867). Original incorporators: Frederick Lewis, Horace S. Griswold, Cyrus Strong, Oliver C. Crocker, Wm. E. Taylor, Harris G. Rodgers, Chas. W. Sanford, Erasmus D. Robinson, Wm. P. Pope, Abel Bennett, Louis Seymour, Henry Mather, and Horace N. Lester.

1867

GERMANIA SAVINGS BANK, BROOKLYN

Chartered April 19, 1867 (Chap. 466, L. 1867). Original incorporators: Ed. Unkart, Herrman Ackerman, John G. A. Vagt, Theodore Happel, Richard Forstmann, Oscar Strasburger, Carl C. Recknagel, W. G. Taaks, F. A. Schroeder, D. Westfall, U. Palmedo, August Siburg, Fried Hitzelberger, John Ruck, Wm. D. Veeder, Aug. Kurth, Richard Barthelmess, Geo. Tiemann, Ivan Von Auw, F. A. Stohlmann, J. E. Stohlman, I. K. Limburger, Emil Magnus, S. Zollinger, P. K. Weitzel, Henry Schutte, Theodore Juncke, S. W. Boden, C. G. Giebel, Martin Von Hagen, and Francis Keyser.

1867

CHENANGO VALLEY SAVINGS BANK, BINGHAMTON

Chartered April 20, 1867 (Chap. 477, L. 1867, which revived and continued in force Chapter 616, Laws of 1857). Original incorporators: Simon C. Hitchcock, Benj. N. Loomis, Henry Mather, Joseph Ely, Ransom Balcom, Richard Mather, Albert Way, Henry S. Hitchcock, Isaac L. Bartlett, Lewis Seymour, Hiram M. Myer, W. N. Wilson, Hallam E. Pratt, Charles McKinney, Augustus Morgan, Sherman D. Phelps, Giles W. Hotchkiss, and Martin Stone.

1868

RONDOUT SAVINGS BANK, KINGSTON

Chartered March 24, 1868 (Chap. 50, L. 1868). Original incorporators: Thomas Cornell, Wm. Kelly, James G. Lindsley, Henry A. Sampson, Lorenzo A. Sykes, Walter B. Crane, Roeliff Eltinge, Augustus Schoonmaker, Jr., John Derenbacker, John Maxwell, Wm. H. Gedney, Samuel D. Coykendall, Michael J. Madden, Hiram Schoonmaker, Robert H. Atwater, Nathaniel Booth, Edward Tompkins, Frederick Stephan, Jacob Hermance, Thomas Murray, and Henry D. H. Snyder.

1868

CATSKILL SAVINGS BANK

Chartered April 1, 1868 (Chap. 96, L. 1868). Original incorporators: S. Sherwood Day, John Breastead, Samuel Harris, Rufus H. King, Jacob H. Meech, George Griffin, Elijah P. Bushnell, Frederick Cook, John H. Bagley, Jr., Burton G. Morse, John A. Griswold, Luke Roe, Edwin M. Hubbell, Sheldon A. Givens, Charles L. Beach, George Beach, George Robertson, Isaac Pruyn, John M. Donnelly, Francis N. Willson, Nelson Fanning, Manly B. Mattice, Edgar Russell, and Joseph Hallenbeck.

1868

ITHACA SAVINGS BANK

Chartered April 3, 1868 (Chap. 141, L. 1868, which revived Chapter 176, Laws of 1863, and Chapter 93, Laws of 1864). Original incorporators: Ezra Cornell, Douglass Boardman, John H. Selkreg, Wm. Andrus, Joseph Esty, John Rumsey, John L. Whiton, Leonard Treman, Obadiah B. Curran, Geo. W. Schuyler, and Wesley Hooker.

1868

GREENPOINT SAVINGS BANK, BROOKLYN

Chartered April 16, 1868 (Chap. 210, L. 1868). Original incorporators: Neziah Bliss, Wm. M. Messerole, Edward F. Williams, Geo. W. Watts, Christian H. Koch, Archibald K. Messerole, Claus Olandt, Platt C. Ingersoll, James W. Valentine, Jonathan Moore, Thomas P. Smith, Archibald M. Bliss, Samuel S. Free, John D. Jones, Nathaniel S. Bailey, Andrew J. Hermion, Daniel D. Boyce, Thomas F. Rowland, Carl Feitzinger, Geo. S. Barton, Adam Metz, Francis Street, Charles Von Bergen, Geo. H. Stone, and William H. Peer.

1868

NATIONAL SAVINGS BANK, ALBANY

Chartered May 6, 1868 (Chap. 662, L. 1868). Original incorporators: Adam Van Allen, John H. Reynolds, John Tweddle, Rufus W. Peckham, Matthew H. Read, William H. Taylor, Erastus Corning, William A. Rice, Robert L. Banks, Albion Ransom, John H. Van Antwerp, James Edwards, Joseph Packard, Edwin W. Corning, Isaac Edwards, Benjamin A. Towner, and John J. Conroy.

1868

EAST NEW YORK SAVINGS BANK, BROOKLYN

Chartered May 8, 1868 (Chap. 753, L. 1868). Original incorporators: Gilliam Schenck, Ditmas Jewell, Williamson Rapalje, Isaac C. Schenck, Stephen L. Vanderveer, James L. Williams, Christopher I. Lott, John I. Sackmann, Henry L. Wyckoff, Abraham Lynington, John S. Andrews, Samuel Davies, Peter J. Bergen, John C. Schenck, Philip H. Reid, Herman H. Kattenhorn, James Pilling, Francis Lauzer, Stephen P. Stoothoff, Wm. Kramer, James McGuire, Horace A. Miller, Charles W. Hamilton, Williamson Rapalje, Jr., Louis Altenbrand, Martin Bennett, Jr., and Noyes G. Palmer.

1868

WESTSIDE SAVINGS BANK, NEW YORK

Chartered May 19, 1868 (Chap. 840, L. 1868). Original incorporators: Frederick A. Conkling, Ignatius Flynn, Abram Leut, Robert W. S. Bonsell, Edward Lynch, James Dignon, Thomas Kivlin, Peter Brunges, Thomas C. Finnell, James R. Floyd, John Dargavel, Wm. H. Christie, James Boyle, John Hessian, Geo. A. Mitchell, Thomas D. Conroy, Harris Bogart, Daniel Coyle, David S. Page, Geo. Ackerman, Wm. McKay, James S. Scofield, Alexander Gaw, Samuel Mott, Geo. J. Thompson, Vincent C. King, Walter W. Price, James Watson, John F. Cleveland, Maurice J. Power, Wm. C. Hanna, Alfred West, James Winterbottom, and Richard Field.

1869

ELMIRA SAVINGS BANK

Chartered March 19, 1869 (Chap. 58, L. 1869) as the "Southern Tier Savings Bank, in the City of Elmira, Chemung County." Original incorporators: Solomon L. Gillet, James H. Loring, David Decker, Reuben H. Ransom, Harden D. V. Pratt, Jackson Richardson, Thomas Gerrity, James S. Thurston, Joseph Davis, Rufus King, Henry V. Colt, John J. Curtis, and Francis A. Stowell.

1869

EAST SIDE SAVINGS BANK, ROCHESTER

Chartered April 7, 1869 (Chap. 135, L. 1869). Original incorporators: Isaac F. Quinby, Horatio G. Warner, Darius Perrin, Henry S. Hebard, Hiram Davis, Michael Filon, Nehemiah P. Osborn, Wm. N. Emerson, Hector McLean, Edmund Ocumpaugh, James Vick, Elias Wolff, Truman A. Newton, J. Moreau Smith, Pliney M. Bromley, Wm. A. Hubbard, Aramiah Moseley, Abner Green David R. Barton, Erastus Danow, and Henry Lampert.

1869

ELLENVILLE SAVINGS BANK

Chartered April 19, 1869 (Chap. 242, L. 1869). Original incorporators: John J. Billings, Joseph H. Tuthill, Geo. A. Dudley, Geo. H. Smith, Jacob Hermance, Judson Shultz, Gilbert DuBois, Abijah Otis, James B. Childs, Albert Corbin, John H. Divine, Andrew S. Schoonmaker, Samuel Wilkinson, James O. Schoonmaker, John C. Hoornbeck, Justus Humphrey, Andrew Brodhead, William R. Rose, John D. Watkins, Geo. B. Childs, Gilbert Palen, Eli Van Keuren, and Harvey R. Morris.

1869

WAPPINGER SAVINGS BANK

Chartered April 23, 1869 (Chap. 299, L. 1869). Original incorporators: J. Nelson Luckey, Samuel W. Johnston, Irving Grinnell, Josiah Falkner, Samuel Brown, I. T. Nichols, Thomas W. Jaycocks, J. D. Harcourt, Elias Brown, Clayton E. Sweet, Henry Mesier, Edward M. Goring, Andrew Jackson, Abraham D. Smith, Wm. B. Millard, Benj. Clapp, Henry Suydam, A. W. Armstrong, Francis Myers, Dennis Shehan, Z. V. Hasbrook, John R. Phillips, and Daniel McKinlay.

1869

ONEIDA COUNTY SAVINGS BANK, ROME

Chartered May 1, 1869 (Chap. 480, L. 1869). Original incorporators: Samuel B. Stevens, Alfred Ethridge, John J. Parry, Henry Hager, John F. Mix, Henry Johnson, James Walker, Alfred Sandford, Charles E. Frazer, Harold H. Pope, Henry R. Hill, Thomas D. Roberts, and Samuel Tuttle.

1869

GREENBURGH SAVINGS BANK, DOBBS FERRY

Chartered May 8, 1869 (Chap. 729, L. 1869). Original incorporators: Abram O. Wilsea, D. Ogden Bradley, Thomas L. Jewell, Peter M. Biegen, James Patterson, Benjamin Lynt, James Wilde, Jr., John D. McKenzie, Geo. L. Osborne, Geo. B. Taylor, Geo. Schmidt, Charles G. Storms, Hugh Downey, John King, and Leonard W. Lawrence.

1869

EXCELSIOR SAVINGS BANK, NEW YORK

Chartered May 11, 1869 (Chap. 863, L. 1869). Original incorporators: Walter W. Price, Vincent C. King, James Watson, Emanuel B. Hart, Richard Field, Edward Henry, Henry S. Osborn, Frank M. Bixby, Daniel Coyle, Ignatius Flynn, Wm. M. Giles, Michael Watson, John W. Bockhorn, Thomas Loughran, Michael Connolly, Bernard Ackerman, John F. Pupke, Hugh Murray, Erastus Littlefield, Seth M. Harris, Horace K. Thurber, Henry Welsh, Wm. A. Hare. Elias R. Lawrence, Henry Harms, and Peter Brunjes.

1870

OSWEGO COUNTY SAVINGS BANK

Chartered May 6, 1870 (Chap. 734, L. 1870). Original incorporators: John B. Edwards, Alanson S. Page, Cheney Ames, Delos De Wolf, Gilbert E. Parsons, Charles Doolittle, Wm. Wales, Alonzo H. Failing, J. Lawrence McWhorter, Benjamin S. Stone, Geo. B. Sloane, Harvey Palmer, Peter Lappin, Charles Rhodes, Samuel B. Johnson, Benjamin C. Turner, John H. Mann, Moses Merick, Chas. H. Cross, Andrew Miller, Cornelius Wendell, Robert Scott, O. M. Bond, D. L. Couch and John Dunn, Jr.

1870

SENECA FALLS SAVINGS BANK

Chartered May 6, 1870 (Chap. 695, L. 1870). Original incorporators: Jacob P. Chamberlain, Erastus Partridge, William Johnson, LeRoy C. Partridge, John P. Cowing, Albert Jewett, Wm. A. Swaby, Frank Chamberlain, and George B. Daniels.

1870

PAWLING SAVINGS BANK

Chartered May 7, 1870 (Chap. 744, L. 1870). Original incorporators: Albert J. Akin, John J. Vanderburgh, John B. Dutcher, Jackson W. Bowditch, J. Wesley Stark, Edgar J. Hurd, William H. Taber, Herman Ferris, Geo. W. Chase, Morgan Horton, Patrick W. Tanday, Nathaniel Pierce, Jeremiah Denton, Herman Bancroft, Albert W. Corbin, Homer Chapman, Jedediah Wanzer, Richard Osborn, Benj. V. Haviland, Thomas Wheeler, and David R. Gould.

1870

FARMERS' AND MECHANICS' SAVINGS BANK, LOCKPORT

Chartered May 11, 1870 (Chap. 779, L. 1870). Original incorporators: Robert Dunlap, Erastus S. Mack, James Richmond, John T. Murray, Asa W. Douglas, Jason Collier, Chas H. Francis, Ransom M. Skeels, Moses C. Richardson, John Hodge, Lewis S. Payne, Edmund Voke, Moses G. Swift, Silas Osgood, and Stephen Wilson.

1871

MATTEAWAN SAVINGS BANK, BEACON

Incorporated March 21, 1871 (Chap. 142, L. 1871). Original incorporators: Willard H. Mase, Lewis Tompkins, Henry B. Schenck, John F. Gerow, David Davis, Adolphus Vandewater, Francis R. Masters, Daniel Green, Lyman Robinson, John Mellor, Martin Ryan, Harvey Brett, Linde Belknap, Benjamin T. Hall, John Boyce, John Halgin, Christopher A. Farrel, Wm. Jackson, Wm. C. Harris, Henry A. Alden, and Charles W. Tompkins.

1871

EAST CHESTER SAVINGS BANK, MOUNT VERNON

Chartered March 8, 1871 (Chap. 78, L. 1871). Original incorporators: Archibald Allerton, John H. Price, John M. Masterton, David Allerton, Henry S. Murray, Cornelius Corson, Wm. H. Pemberton, Columbus S. Stevenson, James T. Husted, James H. Ingersoll, Chas. E. Wilbour, Wm. A. Seaver, and Daniel Clark.

1871

NEW PALTZ SAVINGS BANK

Chartered March 22, 1871 (Chap. 158, L. 1871). Original incorporators: Daniel L. Heaton, Zachariah Bruyn, Jacob Lefevre, Josiah J. Hasbrouck, Edmund Bruyn, Thaddeus Hait, Derick W. Du Bois, Elijah Woolsey, Oscar Hasbrouck, Peter Lefevre, Solomon Deyo, Calvin T. Haizen, Hiram Hasbrouck, Jesse Lyons, Floyd S. McKinstry, Nathan Williams, Abner Hasbrouck, Chas. W. Deyo, John B. Deyo, Edmund Eltinge, and Jonathan Deyo.

1871

FULTON SAVINGS BANK

Chartered March 29, 1871 (Chap. 206, L. 1871). Original incorporators: Sands N. Kenyon, Geo. M. Case, John Harroon, John W. Pratt, Willis S. Nelson, Charles G. Bacon, William D. Patterson, Colvin Osgood, Morris S. Kimball, Willard Johnson, Benjamin J. Dyer, Stephen Pardee, John C. Wells, Amos Dean, H. H. Merriam, Ira Canier, Henry N. Somers, Hiram Bradway, William Dexter, Abraham Howe, and James N. Townsend.

1871

PUTNAM COUNTY SAVINGS BANK, BREWSTER

Chartered April 6, 1871 (Chap. 340, L. 1871). Original incorporators: Augustus D. Slasson, LeRay Barnum, Warren S. Paddock, Charles W. Budd, James Haviland, Wm. F. Fowler, Ahaz S. Mygatt, Coleman K. Townsend, Thatcher H. Theall, Samuel A. Townsend, James R. Kelley, Thomas Drew, Odell Close, Lawrence McKenna, Joshua L. Dean, Augustus S. Dean, Wm. T. Ganung, Jesse Haviland, Daniel W. Dykeman, George Hine, and Morgan Horton.

1871

SAUGERTIES SAVINGS BANK

Chartered April 6, 1871 (Chap. 338, L. 1871). Original incorporators: John Kiersted, Peter Cantine, Wm. F. Russell, Joseph M. Boies, Fordyce L. Laflin, Gaston Wilbur, Chauncey P. Shultis, Cyrus Burbans, Jeremiah P. Russell, Joseph B. Sheffield, Wm. Mulligan, James Welch, Peter H. Freligh, Wm. M. Maginnis, Egburt Whittaker, Benjamin F. Freligh, John Maxwell, John L. Butzell, John W. Davis, John C. Welch, and Thomas S. Dawes.

1871

GOSHEN SAVINGS BANK

Chartered April 11, 1871 (Chap. 402, L. 1871). Original incorporators: Ellis A. Post, Benjamin F. Edsall, George D. Willson, Alfred B. Post, Henry Merriam, Charles M. Thompson, and Lewis Cuddeback.

1871

HOME SAVINGS BANK, ALBANY

Incorporated as "The Sixth Ward Savings Bank of the City of Albany" May 10, 1871 (Chap. 915, L. 1871), name changed by Chapter 244, Laws of 1872, passed April 16, 1872, to the "Home Savings Bank of Albany." Original incorporators: Wm. White, Stephen O. Shepard, Chas. E. Leland, Cornelius W. Armstrong, Robt. H. Waterman, Robert C. Blackall, Philip Ten Eyck, J. Wesley Smith, John E. Capron, John Bridgeford, John W. Van Valkenburgh, Thomas L. Goodwin, Edmund L. Judson, and Edward Coyle.

1871

CORNWALL SAVINGS BANK

Chartered May 10, 1871 (Chap. 914, L. 1871). Original incorporators: Stephen C. Gillis, James K. Hitchcock, James Broadhead, Stephen C. Young, E. Adolph Matthissen, Albert Palmer, James G. Roe, James Dunn, Wm. T. Cocks, E. H. Champlin, John Orr, Thomas Taft, Ira Wood, C. H. Smith, Thomas George, H. H. Salmon, Noah T. Clark, William Orr, W. I. Sherwood, B. L. Solomon, Charles E. Cocks, L. P. Ledoux, Theron Turner, and Josiah G. Clark.

1872

WALDEN SAVINGS BANK

Chartered April 25, 1872 (Chap. 366, L. 1872). Original incorporators: Seth M. Capron, Wm. E. Gowdy, D. Wortman Rapalje, John S. Taylor, Thomas J. Bradley, Thomas Hepper, Henry Bergen, D. M. Wade, Jonathan Hawkins, A. Deo Bevier, Daniel D. Dubois, Wm. H. Deganno, Marcus K. Hill, James G. Terbell, James Todd, George Weller, and John Tears.

1872

RIVERHEAD SAVINGS BANK

Chartered April 27, 1872 (Chap. 415, L. 1872). Original incorporators: James H. Tuthill, John Downs, Nathaniel W. Foster, Jeremiah M. Edwards, Gilbert H. Ketchum, Daniel A. Griffing, J. Henry Perkins, Moses F. Benjamin, Edwin F. Squier, John R. Corwin, Orville B. Ackerly, Richard T. Osborn, Isaac C. Halsey, Simeon S. Hawkins, Richard H. Benjamin, John F. Foster, Thomas Coles, J. Halsey Young, John S. Marcy, Abraham R. Luce, and Jonas Fishel.

1872

COLLEGE POINT SAVINGS BANK

Chartered May 3, 1872 (Chap. 504, L. 1872). Original incorporators: Hugo Funke, John H. Ranch, Emil Greeff, Herman C. Poppenhusen, Wm. Pauly, Thomas Daley, Adolph Poppenhusen, Herman Funke, G. Cramer, A. D. Schesinger, J. H. Rehlender, and Peter Buhl.

1873

MECHANICS' SAVINGS BANK, COHOES

Chartered March 27, 1873 (Chap 148, L. 1873). Original incorporators: Robert Johnston, Wm. S. Smith, William Nuttall, Abner J. Griffin, Edward N. Page, Samuel Bilbrough, P. R. Chadwick, Wm. Stanton, John Clute, Peter Dandurand, John Land, Laban Vredenberg, Wm. E. Thorne, Jehial W. Himes, Jacob Travis, Norman W. Frost, Alfred LeRoy, and N. J. Clute.

1873

BUSHWICK SAVINGS BANK, BROOKLYN

Chartered June 14, 1873 (Chap. 769, L. 1873). Original incorporators: Augustus A. Leverich, Peter Totans, Henry Eckert, Chas. W. Godard, Joseph Liebman, Jacob Suydam, John Beales, John S. Marshall, John H. Howard, Samuel L. Carlisle, Peter Scharnagle, Peter Wyckoff, Adrian M. Suydam, Frederick W. Kalbfleisch, Frederick Herr, John L. Nostrand, Rufus L. Scott, Martin Ibert, John G. Jenkins, Nicholas Wyckoff, John J. McRum, Thomas W. Field, and Bernard Midas.

1874

ALBANY COUNTY SAVINGS BANK

Chartered April 20, 1874 (Chap. 216, L. 1874). Original incorporators: Jacob Leonard, Benj. W. Wooster, LeGrand Bancroft, Theodore D. Smith, Rufus H. King, Albert M. Brumaghim, James H. Pratt, Royal Bancroft, Jasper Van Wormer, Francis N. Sill, Frederick Hinckel, Elair Taylor, Thomas McCarty, Cornelius Smith, Albert Wing, Henry A. Fonda, Willard Bellows, Joseph Mann, Alexander Morris, and John Templeton.

1874

KINGSTON SAVINGS BANK

Chartered April 23, 1874 (Chap. 237, L. 1874). Original incorporators: Jacob B. Van Dusen, Augustus T. Newton, Henry C. Connelly, Robert Loughran, James Van Leuven, James Myer, Jr., Wm. H. Rameyn, Geo. S. Coutant, Lucius Lawson, Michael Hallahan, Luke Noone, Isaac Bernstein, Abraham Van Vandling, John R. Freer, James S. Pine, Chas. H. Clearwater, Frederick W. Ingalls, Wm. H. Fredenbergh, James H. Van Demark, Benjamin Turner, Jacob Freileweh, and Augustus Schoonmaker, Jr.

B

LIST OF SAVINGS BANKS IN THE STATE OF NEW YORK

TOGETHER WITH THE OFFICERS AND TRUSTEES

*Arranged Alphabetically**

ALBANY CITY SAVINGS INSTITUTION, ALBANY

(100 State Street; incorporated 1850)

JOHN E. WALKER, *President* WILLIAM S. HACKETT, *Treasurer*

TRUSTEES:

John E. Walker, James W. Cox, George H. Thacher, Albert Hessberg, Jonas H. Brooks, Edward J. Gallien, P. N. Bouton, William S. Dyer, John A. Delehanty, Charles H. Sabin, C. L. A. Whitney, John Bowe, Frederick W. Kelley, William T. Meyer, Frank C. Herrick, E. Palmer Gavit, Wm. J. Nellis, Horace S. Bell.

ALBANY COUNTY SAVINGS BANK, ALBANY

(88 State Street; incorporated 1874)

SETH WHEELER, *President*

WM. N. S. SANDERS, *Treasurer* HENRY H. KOHN, *Secretary*

TRUSTEES:

Albert V. Bensen, William P. Rudd, Geo. H. Russell, Frederic C. Curtis, Seth Wheeler, Wm. N. S. Sanders, John R. Carnell, Andrew G. White, William Smith, John W. Emery, James B. Lyon, Henry R. Wright, Malcolm S. Fearey, James Milwain, Wm. A. Wheeler, Chas. R. Sutherland, George A. White, Newton B. Vanderzee, Richard Stephens, Henry H. Kohn.

ALBANY EXCHANGE SAVINGS BANK, ALBANY

(450 Broadway; incorporated 1856)

MARTIN T. NACHTMANN, *President* JOSEPH GUARDENIER, *Treasurer*

TRUSTEES:

John E. McElroy, John J. Gallogly, Matthew J. Wallace, Jacob S. Friedman, D. C. Slingerland, Alden Chester, Charles H. Turner, John A. Becker, James F. McElroy, Thomas E. Finegan, M. T. Nachtmann, W. S. Van Derzee, Lester H. Helmes, Fred'k W. Cameron, Arthur T. Palmer, James H. Mead, Joseph Guardenier, Walter S. McEwan, Hugh A. Arnold, George B. Russell.

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*Those marked with asterisk not members of the Savings Banks Association of the State of New York.

ALBANY SAVINGS BANK, ALBANY

(20 North Pearl Street; incorporated 1820)

Marcus T. Hun, *President* — Henry D. Rodgers, *Treasurer*

TRUSTEES:

Marcus T. Hun, Grange Sard, Ledyard Cogswell, Clarence Rathbone, Edward Bowditch, Edward N. McKinney, Benjamin W. Arnold, Fred'k Townsend, James F. Tracy, Fred'k Tillinghast, Gerrit Y. Lansing, Wm. V. R. Erving, T. I. Van Antwerp, Henry M. Sage, Luther H. Tucker, Robert C. Pruyn, Oscar L. Hascy.

AMERICAN SAVINGS BANK OF BUFFALO, BUFFALO

(215 Main Street; incorporated 1907)

Herbert A. Meldrum, *President* — William P. Luedeke, *Secretary*

TRUSTEES:

Frank X. Argus, Chas. Antoniazzi, William T. Atwater, George K. Birge, Alfred H. Burt, Myron P. Bush, Edward H. Butler, Charles J. Fix, F. E. Fronczak, L. P. Fuhrmann, James Hanrahan, Robert H. Heussler, Wm. H. Hotchkiss, Dudley M. Irwin, Bert L. Jones, Wm. P. Luedeke, Norman E. Mack, George A. Ray, J. M. Satterfield, Thomas Stoddart, James Sweeney, Jr., George R. Teller, Chas. W. Toynbee, H. A. Meldrum, G. M. Zimmerman, J. M. Wallenmeier, Jr.

AMERICAN SAVINGS BANK, NEW YORK CITY

(115 West 42nd Street; incorporated 1882)

John V. Irwin, *President* — William M. Hazelton, *Treasurer*

TRUSTEES:

Vincent Pisek, James F. Fargo, L. Duncan Bulkley, John V. Irwin, Wm. M. Campbell, David Orr, William C. Story, Henry R. Sutphen, Edmond E. Robert, Fred. Mathesius, Jr., Henry B. Britton, Fred. M. Johnson, Warren Thorpe, Chas. O. Kimball, Carl L. Vietor, Hicks A. Weatherbee, John R. Christie, Michael I. Pupin.

AMSTERDAM SAVINGS BANK, AMSTERDAM

(11 Division Street; incorporated 1886)

S. H. French, *President* — Charles E. French, *Treasurer*

TRUSTEES:

S. H. French, Bernard Machold, Thomas Morphy, Thomas Mansfield, Seely Conover, W. Barlow Dunlap, John Kavanaugh, James T. Sugden, C. Van Buren, Charles E. French, William J. Kline, Nathan B. Smith, Robert J. Lindsey, Samuel Wallin, W. C. Schaufler.

AUBURN SAVINGS BANK, AUBURN

(74 Genesee Street; incorporated 1849)

David M. Dunning, *President* — William S. Downer, *Treasurer*

TRUSTEES:

Edwin R. Fay, David M. Dunning, George Underwood, Nelson B. Eldred, George H. Nye, William E. Keeler, Henry D. Titus, Hobart L. Romig, William H. Seward, Jr., Henry D. Noble, Frederick Sefton, William S. Downer, Samuel V. Kennedy.

BANK FOR SAVINGS IN THE CITY OF NEW YORK

(280 Fourth Avenue; incorporated 1819)

WALTER TRIMBLE, *President* JAMES KNOWLES, *Comptroller*

TRUSTEES:

Walter Trimble, Frederic W. Stevens, Charles S. Brown, Adrian Iselin, Jr., Lewis B. Gawtry, John E. Parsons, Chas. A. Sherman, Henry W. de Forest, W. Irving Clark, William J. Riker, Wm. W. Appleton, Charles A. Peabody, Thomas Dimond, Robert Bacon, Henry R. Hoyt, August Belmont, Charles H. Tweed, William Sloane, James Knowles, Thomas Denny, Pierre Jay, John E. Cowdin, James S. Alexander, Nicholas Biddle, George F. Baker, Jr., Otto M. Eidlitz.

BANK FOR SAVINGS OF OSSINING, OSSINING

(Highland Avenue and Main Street; incorporated 1854)

STEPHEN M. SHERWOOD, *President* SETH G. ELLEGOOD, *Secretary*

TRUSTEES:

S. M. Sherwood, C. Townsend Young, Theodore H. Calam, Seth G. Ellegood, Wilbur F. Foshay, Warren A. Miner, George Hyatt, Dudley B. Holbrook, Jacob Chadeayne, Leonard A. Ballard, G. S. Hilliker, Louis F. Washburne, Edwin L. Todd.

*BAY RIDGE SAVINGS BANK, BROOKLYN

(5517 Fifth Avenue; incorporated 1909)

MAURICE T. LEWIS, *President* THOMAS L. DOWLING, JR., *Cashier*

TRUSTEES:

Maurice T. Lewis, Alfred Hamilton, Michael Murphy, John D. Holsten, Gustave Grafenstein, Pierce Keefe, George Ihnken, Justus Berge, Henry Meyer, Henry Schwanewede, Wm. E. Kays, Peter N. Meinke, Henry Kettelhodt, William J. Bolger, Olaf Olafson, Simon Henchel.

BINGHAMTON SAVINGS BANK, BINGHAMTON

(97 and 99 Collier Street; incorporated 1867)

CHARLES W. GENNET, *President* ASBURY C. DEYO, *Treasurer*

TRUSTEES:

John G. Orton, Edward C. Smith, Edward P. McKinney, George M. Harris, Charles F. Sisson, Charles W. Gennet, Charles M. Stone, S. J. Hirschmann, John Bayless, Charles A. Weed, George F. Lyon, William H. Ogden, Asbury C. Deyo.

BOWERY SAVINGS BANK, NEW YORK CITY

(128 and 130 Bowery; incorporated 1834)

HENRY A. SCHENCK, *President* JOSEPH G. LIDDLE, *Secretary*

TRUSTEES:

Henry A. Schenck, Wm. M. Spackman, Wm. A. Nash, John J. Sinclair, David S. Taber, Geo. H. Robinson, George Jeremiah, Henry C. Berlin, Charles E. Bigelow, John C. Moore, William C. Wood, I. W. Drummond, H. B. Dominick, C. L. Perkins, Robert M. Gallaway, C. H. Hackett, Robt. B. Woodward, John W. Aitken, Mark W. Maclay, Ed. D. Faulkner, Thomas B. Kent, Francis S. Bangs, James Stillman, Seth M. Milliken, Richard M. Hoe, George McNeir, Charles H. Tenney, Hobart J. Park, W. Hull Wickham, Stephen Baker, Arthur L. Lesher, S. W. Fairchild.

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*Those marked with asterisk not members of the Savings Banks Association of the State of New York.

BREVOORT SAVINGS BANK, BROOKLYN

(522 Nostrand Avenue; incorporated 1890)

HOWARD M. SMITH, *President* RAYMOND LOUNSBERY, *Secretary*

TRUSTEES:

Chas. M. Aikman, Joseph M. Bacon, John W. Bailey, Charles Cooper, William J. Gilpin, William H. Good, William H. Harding, G. W. Harman, Walter C. Humstone, Alfred T. Seward, R. Lounsbery, Edward Lyons, John McNamee, Ernst Nathan, George W. Pipe, James R. Ross, Howard M. Smith, Bertrand L. Smith, John D. Sullivan, Thos. J. Washburn, L. A. Wray, Patrick M. Wood, John H. Burroughs, Ernest H. Pilsbury.

BROADWAY SAVINGS INSTITUTION, NEW YORK CITY

(5 and 7 Park Place; incorporated 1851)

HORACE F. HUTCHISON, *President* WILLIAM H. ROSE, *Secretary*

TRUSTEES:

J. A. Geissenhainer, H. F. Hutchinson, W. A. Conover, Eugene Britton, H. Mortimer Brush, Oscar T. Mackey, W. L. Wellington, Richard B. Kelly, Remsen Johnson, Edward Townsend, James Wotherspoon, Frederick W. Hunter, Charles A. Frank, Samuel S. Blood, J. Seaver Page, Henry A. Howarth, William H. Rose.

BRONX SAVINGS BANK, NEW YORK CITY

(429 Tremont Avenue; incorporated 1906)

WILLIAM B. AITKEN, *President* WILLIAM E. STEVENS, *Treasurer*

TRUSTEES:

William B. Aitken, F. Brevoort Allin, Charles H. Bull, Clifton B. Bull, Wm. I. Brown, Nelson F. Griffin, John F. Holmes, Chas. F. Schumann, William E. Stevens, Albert E. Colfax, John S. Sutphen, J. Ostram Taylor, Livingston Wetmore, T. Tasso Fischer, Walter S. Wilson, Thos. Le Boutillier, Thos. A. Nosworthy.

BROOKLYN SAVINGS BANK, BROOKLYN

(141 Pierrepont Street; incorporated 1827)

CROWELL HADDEN, *President* A. C. HARE, *Cashier*

TRUSTEES:

Crowell Hadden, Richard L. Edwards, Edw. H. Litchfield, Frank Lyman, David G. Legget, Willis L. Ogden, John F. Halsted, Jonathan Bulkley, Frank L. Babbott, Henry F. Noyes, Sanford H. Steele, Daniel J. Creem, Clinton R. James, B. Herbert Smith, Francis L. Noble, F. A. M. Burrell, Edwin P. Maynard, William L. Moffat, Harold I. Pratt, Charles J. Peabody, Martin Joost, Albert L. Mason, Frank D. Tuttle, William Mason, Charles L. Morse.

*BUFFALO SAVINGS BANK, BUFFALO

(545 Main Street; incorporated 1846)

SPENCER CLINTON, *President* EDWARD G. BECKER, *Secretary*

TRUSTEES:

Spencer Clinton, E. C. Townsend, Chas. L. Gurney, Edward G. Becker, W. H. Glenny, George Bleistein, Seymour P. White, John L. Clawson, C. B. Porter, De Witt Clinton, Henry M. Gerrans, Richard E. Gavin, John B. Olmstead.

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*Those marked with asterisk not members of the Savings Banks Association of the State of New York.

BUSHWICK SAVINGS BANK, BROOKLYN

(726 Grand Street; incorporated 1873)

JERE E. BROWN, *President* GEORGE J. MERKED, *Cashier*

TRUSTEES:

Rufus L. Scott, Daniel Canty, Edward Bush, Henry Schade, John H. Scheidt, William S. Wandel, William G. Miller, Augustus P. Avery, Jere E. Brown, John H. Vanderveer, M. L. Reynolds, F. H. Narwood, Louis G. Burger, George W. Schaedle, Andrew F. Wilson, Peter E. Nostrand, M. Fackenthal, Herrman C. Huelle, Theophile Thonet, Christian D. Homeyer, Charles Trietschler, David H. Moore.

CATSKILL SAVINGS BANK, CATSKILL

(343 Main Street; incorporated 1868)

W. IRVING JENNINGS, *President* JEREMIAH DAY, *Secretary*

TRUSTEES:

W. I. Jennings, Jeremiah Day, Orrin Day, Wm. Palmatier, Charles E. Bassett, Emory A. Chase, C. E. Bloodgood, A. C. Bloodgood, Lucius R. Doty, Addison P. Jones, Wm. H. Van Orden, George S. Lewis, Frank H. Osborn, Omar V. Sage, William J. Hughes.

CAYUGA COUNTY SAVINGS BANK, AUBURN

(113 and 115 Genesee Street; incorporated 1864)

WILLIAM F. WAIT, *President* WILLIAM H. MEAKER, *Treasurer*

TRUSTEES:

William H. Seward, Benjamin B. Snow, William H. Meaker, James Lyon, Chas. A. McCarthy, William F. Wait, David Wadsworth, Jr., Edwin D. Metcalf, George B. Turner, Sidney J. Westfall, C. F. Baldwin, Charles W. Brister, G. V. Loughborough, Hull Greenfield, William W. Eccles, Charles P. Mosher, Daniel L. Ramsey.

*CHENANGO VALLEY SAVINGS BANK, BINGHAMTON

(2 Chenango Street; incorporated 1867)

GEORGE A. KENT, *President* WILLIAM R. ELY, *Treasurer*

TRUSTEES:

Arthur S. Bartlett, George A. Kent, C. F. Hotchkiss, William W. Sisson, James W. Manier, Robert S. Parsons, George F. O'Neil, William G. Phelps, Leslie M. Wilson, William R. Ely, Renna Z. Spaulding, Arthur L. Kent, Harry Rubin.

CITIZENS' SAVINGS BANK, NEW YORK CITY

(56 and 58 Bowery; incorporated 1860)

HENRY HASLER, *President* HENRY SAYLER, *Secretary*

TRUSTEES:

Chas. H. Steinway, Henry Hasler, Charles Gulden, Percival Kuhne, James Rowland, Arthur W. Watson, John C. Juhring, John N. Fuchs, David C. Townsend, Frederick W. Wurster, Charles H. Smith, John A. Beall, Charles H. Clark, Edward H. Titus, Barak G. Coles, Jr., Richard A. Bachia, Julius De Long, John L. Dudley, Henry Sayler, Warren D. Orvis, William H. Schmidt.

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*Those marked with asterisk not members of the Savings Banks Association of the State of New York.

CITY SAVINGS BANK OF BROOKLYN, BROOKLYN

(Corner Lafayette and Flatbush avenues; incorporated 1886)

REMSEN RUSHMORE, *President* WILLIAM A. AVIS, *Treasurer*

TRUSTEES:

Francis O. Affeld, William A. Avis, David F. Butcher, Jacob G. Dettmer, Simon J. Harding, James Matthews, Theophilus Olena, Lewis H. Pounds, Remsen Rushmore, John M. Rider, H. V. Raymond, J. B. Summerfield, Frederick H. Webster, Edwin H. Sayre, Rufus T. Griggs, James G. Shaw, Clarence T. Corey, Frank C. Swan, Ralph E. Dayton, Barthol'w A. Greene.

COHOES SAVINGS INSTITUTION, COHOES

(65 Remsen Street; incorporated 1851)

GEORGE H. MCDOWELL, *President* CHARLES R. FORD, *Treasurer*

TRUSTEES:

Henry A. Strong, Geo. H. McDowell, James W. Ablett, George R. Wilsdon, George A. Harper, John W. Kline, James Aitken, John Laughlin, Merritt D. Hanson, William D. Boswell, Charles R. Ford, Isaiah Fellows, John F. Scott, James S. Calkins, John F. McGarrahan, Charles L. Mitchell, William J. Elliott, Napoleon Favreau.

COLLEGE POINT SAVINGS BANK, COLLEGE POINT

(254 Second Avenue; incorporated 1872)

FRED. W. GRELL, *President* GEO. W. GILLETTE, *Secretary*

TRUSTEES:

Ferdinand Martens, Wm. W. Weitling, A. H. Schlesinger, George W. Gillette, Frank Hunold, Fred. W. Grell, Edwin P. Roe, William F. Buhl, Henry Bohne, George Duer, William Schmidt, G. A. S. Wieners, H. C. Poppenhusen.

COMMONWEALTH SAVINGS BANK OF NEW YORK CITY

(2007 Amsterdam Avenue; incorporated 1910)

JOHN H. BOSCHEN, *President* CHARLES S. GAUBERT, *Secretary*

TRUSTEES:

Herman W. Beyer, John H. Boschen, John F. Cowan, John R. Davies, Frank B. French, Murtha J. Garry, Charles S. Gaubert, Valentine J. Hahn, Philip Hano, Henry O. Heuer, Cornelius Huth, George H. Hyde, Thomas F. McAvoy, John A. Murray, Christian Schierloh, Wm. F. Schneider, Richard H. Smith, Louis K. Ungrich, Martin Wallace, Burton J. Wilke, William S. Bennet, Otto H. Schlobohm, Frank P. Schimpf, Gustav Scholer, Donald G. Sinclair.

*CORNWALL SAVINGS BANK, CORNWALL-ON-THE-HUDSON

(Incorporated 1871)

TOWNSEND D. WOOD, *President* GILBERT T. COCKS, *Treasurer*

TRUSTEES:

William Brewster, Patrick Bevans, Henry N. Clark, Rowland Cocks, Charles C. Cocks, Gilbert T. Cocks, Harvey A. Call, L. Grant Goodnough, Frank Vickere, Townsend D. Wood, Stephen B. Young, George B. Mailler, Edward L. Sylcox.

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*Those marked with asterisk not members of the Savings Banks Association of the State of New York.

CORTLAND SAVINGS BANK, CORTLAND

(111 Main Street; incorporated 1866)

Calvin P. Walrad, *President* Benjamin L. Webb, *Treasurer*

TRUSTEES:

Calvin P. Walrad, Benjamin L. Webb, Marcus H. McGraw, Lewis Bouton, Hubert T. Bushnell, Peter D. Muller, Stratton S. Knox, Lester P. Bennett, Grove T. Maxon, Arthur F. Stilson, William J. Buchanan, Byron Maxson, Wm. A. Stockwell.

DIME SAVINGS BANK OF BROOKLYN, BROOKLYN

(9 De Kalb Avenue; incorporated 1859)

J. Lawrence Marcellus, *President* Russell S. Walker, *Treasurer*

TRUSTEES:

J. L. Marcellus, John Truslow, Geo. W. Chauncey, Samuel Rowland, R. W. Bainbridge, Horace C. Du Val, Ludwig Nissen, Wm. McCarroll, N. T. Thayer, J. T. E. Litchfield, Russell S. Walker, George Cox, Charles E. Teale, Geo. T. Moon, Frank H. Parsons, Frederic B. Fiske, James L. Brumley, Edward B. Jordan, Frederick W. Rowe, Frederick W. Jackson.

DIME SAVINGS BANK OF WILLIAMSBURGH, BROOKLYN

(Corner Havemeyer and South Fifth streets; incorporated 1864)

W. P. Sturgis, *President* C. M. Lowes, *Treasurer*

TRUSTEES:

Jacob F. Healey, William P. Sturgis, Robert B. Ferguson, Augustus Wenzel, Frederick V. Dare, H. F. Mollenhauer, John McKee, Otto F. Struse, Alex. D. Seymour, Warren F. Goodwin, James A. Sperry, John Hoerle, Alvah Miller, H. R. Ferguson, C. C. Mollenhauer.

DOLLAR SAVINGS BANK, NEW YORK CITY

(2808 Third Avenue; incorporated 1890)

George E. Edwards, *President* William M. Kern, *Treasurer*

TRUSTEES:

George E. Edwards, Brian G. Hughes, William M. Kern, James M. La Coste, Bernard French, J. Harris Jones, John S. Hanson, Geo. M. MacKellar, Charles W. Bogart, James S. Bryant, William S. Beckley, Howell T. Manson, Charles P. Faber.

DRY DOCK SAVINGS INSTITUTION, NEW YORK CITY

(341 Bowery; incorporated 1848)

Andrew Mills, *President* William F. Patterson, *Treasurer*

TRUSTEES:

David J. Taff, Andrew Mills, Frederick Zittel, John A. Tackaberry, William S. Gray, Benj. DeF. Curtiss, W. M. Bennet, Walter E. Frew, Wm. H. Remick, Wm. F. Patterson, Samuel E. Slaymaker, Augustus H. Teunis, George B. Hodgman, Richard T. Davies.

EAST BROOKLYN SAVINGS BANK, BROOKLYN

(643 Myrtle Avenue; incorporated 1860)

Eugene F. Barnes, *President* David Morehouse, *Treasurer*

TRUSTEES:

Charles A. Peck, Eugene F. Barnes, John H. Ireland, James N. Brown, John H. Rowland, Henry Von Glahn, John T. Barry, Marvin Robbins, Robert L. Wensley, E. J. Phillips, Frederick E. Gunnison, A. R. Boerum, Clinton P. Case, Harry A. Moody, William A. Graham, Alfred S. Hughes, George Nicholson.

*EASTCHESTER SAVINGS BANK, MOUNT VERNON

(9 South Third Avenue; incorporated 1871)

George H. Brown, *President* Oliver A. Westfall, *Secretary*

TRUSTEES:

J. Mortimer Bell, Samuel W. Bertine, George H. Brown, A. M. Campbell, Franklin T. Davis, Minot C. Kellogg, J. Milford McKee, Jonah Rockett, James S. Van Court, Oliver A. Westfall, Marx Wintjen, Charles Rockwell, Theodore Taylor.

EAST NEW YORK SAVINGS BANK, BROOKLYN

(2644 Atlantic Avenue; incorporated 1868)

Frederick Middendorf, *President* John M. Linz, *Treasurer*

TRUSTEES:

Frederick Middendorf, C. W. Colyer, Rudolph Reimer, Frank C. Lang, David Hopkins, Frederick D. Hart, Louis A. Tranberg, Clarence F. Colyer, John M. Linz, Adolph Kiendl, Rudolph C. Werner, Carl E. Anselm, A. H. Ackerman, Edward A. Richards, Henry Meyer.

EASTERN DISTRICT SAVINGS BANK OF THE CITY OF BROOKLYN

(1024-1026 Gates Avenue; incorporated 1895)

Lewis E. Meeker, *President* A. Manning Shevill, *Cashier*

TRUSTEES:

J. Parker Sloane, Charles L. Sicard, John W. Fraser, Geo. W. Paynter, Henry L. Gaus, Henry Vollweiler, Homer L. Bartlett, C. Jerome Edwards, John Moore, Fred E. Brandis, John Bossert, Lewis E. Meeker, Charles Jacob.

EAST RIVER SAVINGS INSTITUTION, NEW YORK CITY

(291-295 Broadway; incorporated 1848)

Dick S. Ramsay, *President* Charles A. Whitney, *Secretary*

TRUSTEES:

Henry T. Nichols, George Abeel, Dick S. Ramsay, Warren C. Barber, Richard Young, J. Worrall Arthur, William C. Smith, Daniel W. Whitmore, Chas. A. O'Donohue, Charles F. Bassett, William C. Taber, Julian D. Fairchild, William Coverly, William H. Taylor, James B. Clews, J. Fred. Pierson, Julian P. Fairchild, Richard Young, Jr., Darwin R. James, Jr., James A. Smith, Charles E. Perkins.

EAST SIDE SAVINGS BANK OF ROCHESTER, ROCHESTER

(233 Main Street, E.; incorporated 1869)

Benjamin E. Chase, *President* Burton H. Davy, *Secretary*

TRUSTEES:

Cassius C. Davy, Benjamin E. Chase, W. Henry Mathews, William R. Peters, Alex. B. Lamberton, Austin C. Jackson, William Bausch, Frank A. Brownell, Burton H. Davy, Charles A. Green, William H. Dunn, Arthur T. Hagen, V. F. Whitmore, John H. Engert, Chas. H. Ocumpaugh.

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*Those marked with asterisk not members of the Savings Banks Association of the State of New York.

ELLENVILLE SAVINGS BANK, ELLENVILLE

(108 Canal Street; incorporated 1869)

DWIGHT DIVINE, *President* JOHN A. TICE, *Secretary*

TRUSTEES:

Dwight Divine, Geo. H. Dutcher, William H. Deyo, James B. Smith, J. C. Young, Isaac N. Cox, Henry F. Hoornbeek, Webster Wilkinson, Gilbert Du Bois, U. E. Terwilliger, R. Dwight Clark, William C. Rose, C. D. Divine, George B. Holmes, Phillip Patterson, Cornelius H. Sheely, William A. Hoar, Garret Le Roy.

ELMIRA SAVINGS BANK, ELMIRA

(212 East Water Street; incorporated 1869)

JESSE L. COOLEY, *President* M. A. LEAHY, *Secretary*

TRUSTEES:

Irving D. Booth, Jesse L. Cooley, John J. Curtis, Henry J. Haase, Fred. D. Herrick, John W. Huston, Michael A. Leahy, Wm. H. Ferguson, Louis N. Mathews, Henry Simpson, William M. Ufford, Alexander S. Diven, H. C. Mandeville.

EMIGRANT INDUSTRIAL SAVINGS BANK, NEW YORK CITY

(51 Chambers Street; incorporated 1850)

THOMAS M. MULRY, *President* JOHN J. PULLEYN, *Comptroller*

TRUSTEES:

L. V. O'Donohue, C. V. Fornes, James G. Johnson, Herman Ridder, Myles Tierney, M. J. Drummond, Joseph P. Grace, Thos. M. Mulry, M. F. McDermott, James Clarke, Frank S. Gannon, John J. Pulleyn, Henry Heide, William Harkness, John J. Deery, Samuel Adams, John D. Ryan, F. F. Fitzpatrick, John G. O'Keeffe.

EMPIRE CITY SAVINGS BANK, NEW YORK CITY

(231 West 125th Street; incorporated 1889)

JOHN BEAVER, *President* A. S. VAN WINKLE, *Secretary*

TRUSTEES:

William Moores, John H. Loos, B. G. Mitchell, John Beaver, Arthur E. Wood, E. H. Hamilton, William T. Koch, J. C. Watson, John Bottomley, Geo. H. Taylor, Edward L. Young, Richard E. Cochran, Lyman T. Dyer, Chas. W. Dayton, Albert E. Merrall.

ERIE COUNTY SAVINGS BANK, BUFFALO

(Niagara and Main streets; incorporated 1854)

ROBT. S. DONALDSON, *President* ROBERT D. YOUNG, *Secretary*

TRUSTEES:

Robt. S. Donaldson, George L. Williams, William A. Rogers, G. Barrett Rich, George R. Howard, L. D. Rumsey, Carlton M. Smith, Thos. T. Ramsdell, John W. Robinson, H. W. Sprague, Whitney G. Case, Robert D. Young, George C. Ginther, Seymour H. Knox, John K. Walker.

EXCELSIOR SAVINGS BANK, NEW YORK CITY

(79 West Twenty-third Street; incorporated 1869)

WILLIAM J. ROOME, *President* JOHN C. GRISWOLD, *Secretary*

TRUSTEES:

John C. Gulick, Robert C. Brown, Henry Dazian, William H. Barron, William J. Roome, Henry D. Brewster, John Burke, Robert J. Horner, William Crawford, Rich G. Hollaman, Patrick F. Giffin, Ephraim M. Youmans, Benj. A. Hegeman, Jr., Clarence Price, Michael Coleman.

*FARMERS' AND MECHANICS' SAVINGS BANK OF THE CITY OF LOCKPORT

(116 Main Street; incorporated 1870)

WM. A. WILLIAMS, *President* J. E. EMERSON, *Secretary*

TRUSTEES:

Wm. A. Williams, Charles A. Hoag, Joseph Dumville, Jerome E. Emerson, George H. Moody, John T. Darrison, Wm. Richmond, H. J. Babcock, Thos. M. McGrath, M. D. Clapsattle, John B. Arnold, E. M. Grigg, I. A. Bronson.

*FISHKILL SAVINGS INSTITUTE, FISHKILL

(Main Street; incorporated 1857)

FRANKLIN R. BENJAMIN, *President* CHAS. R. MONTFORT, *Treasurer*

TRUSTEES:

F. R. Benjamin, J. S. Luyster, Alex. H. Dudley, Chas. D. Sherwood, Chas. R. Montfort, Robert W. Doughty, Hyman B. Rosa, James E. Dean, S. L. Van Voorhis, Lewis E. Wood, Jarvis S. Phillips, Cyrus Tompkins, John Rapelje, E. H. Foshay, S. H. Parsons, Wm. H. Haight, James Adriance, J. B. Waldo.

FRANKLIN SAVINGS BANK, NEW YORK CITY

(656 Eighth Avenue; incorporated 1860)

WILLIAM G. CONKLIN, *President* JAMES A. STENHOUSE, *Secretary*

TRUSTEES:

John D. Robinson, John S. Sills, Wm. H. Van Kleeck, Bernard Karsch, James G. Cannon, J. Edgar Leaycraft, William G. Conklin, Wilson M. Powell, Jr., Howard C. Smith, Jr., Charles A. Walker, William H. Porter, Stuart Duncan, Gardner Wetherbee, Wm. C. Muschenheim, T. Frank Manville, John I. Downey, Simeon Ford.

FULTON SAVINGS BANK, FULTON

(75 South First Street; incorporated 1871)

ARVIN RICE, *President* WILLIAM J. LOVEJOY, *Treasurer*

TRUSTEES:

Arvin Rice, Giles S. Piper, William J. Lovejoy, George P. Wells, H. Putnam Allen, Cameron C. Benedict, Edwin F. Palmer, Arthur G. Gilbert, Harry L. Stout, Watson A. Butts, Elmer E. Morrill, George E. True, Herbert J. Wilson, George G. Chauncey, Albert I. Morton, Frank W. Lasher, John R. Sullivan.

GENEVA SAVINGS BANK, GENEVA

(31 Seneca Street; incorporated 1910)

JAMES E. BROWN, *President* GEORGE D. WHEDON, *Treasurer*

TRUSTEES:

Alexander D. Allen, James E. Brown, William G. Dove, Frederick M. Fast, John C. Fitzwater, Lansing G. Hoskins, Whitman H. Jordan, Alfred G. Lewis, George F. Licht, Patrick O'Malley, Samuel D. Pierson, Arthur P. Rose, H. H. Schieffelin, Theodore J. Smith, Edwin S. Thorne, D. J. Van Auken, Henry A. Wheat, George D. Whedon, George H. Whitwell, Thomas B. Wilson.

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*Those marked with asterisk not members of the Savings Banks Association of the State of New York.

GERMAN SAVINGS BANK OF BROOKLYN, BROOKLYN

(531 Broadway; incorporated 1866)

CHARLES FROEB, *Vice-President* HENRY STUMPF, *Cashier*

TRUSTEES:

John L. Gaus, Theo. Engelhardt, J. A. Mollenhauer, Charles Froeb, A. C. Scharmann, Henry C. Deck, J. Henry Dick, John R. Thompson, George B. Goodwin, J. H. Schumann, Jr., Henry Stumpf, Joseph Huber, J. M. Otto.

GERMAN SAVINGS BANK IN THE CITY OF NEW YORK

(157 Fourth Avenue; incorporated 1859)

ALFRED ROELKER, *President* ADOLPH KOPPEL, *Treasurer*

TRUSTEES:

Alfred Roelker, Dallas B. Pratt, James Speyer, Edw. C. Schaefer, R. Siedenburg, Fritz Achelis, D. Schnakenberg, G. C. Clark, Jr., Fred. T. Steinway, Thomas F. Vietor, George S. Runk, Ernest Steiger, Carl Goepel, O. F. Zollikoffer, Adolf Kuttroff, Hubert Cillis, August Zinsser, A. Pagenstecher, William Schall, F. T. Fleitmann, Rudolph Keppler, Joseph F. Stillman, Ernst Pfarrius, Rudolf Erbsloh.

GERMANIA SAVINGS BANK, KINGS COUNTY, BROOKLYN

(375 Fulton Street; incorporated 1867)

A. GOEPEL, *President* J. C. M. LORENZ, *Secretary*

TRUSTEES:

Adolph Goepel, Chas. A. Schieren, P. H. Reppenhagen, T. Ellett Hodgskin, Edward L. Graef, Jacob Dangler, August Jahn, J. C. Hacker, J. F. Hildebrand, Richard Kny, Otto Wissner, G. W. Rasch, J. R. Mannheim, Herman A. Metz, Louis Scheling, Frederick Renken, William Rasmus.

GOSHEN SAVINGS BANK, GOSHEN

(11 West Main Street; incorporated 1871)

WILLIAM D. VAN VLIET, *President* HENRY B. KNIGHT, *Treasurer*

TRUSTEES:

Henry Bacon, Frank Drake, Seneca Jessup, William Kniffin, Henry B. Knight Ralph L. McGeoch, Thomas Mould, Edwin L. Boys, Aaron V. D. Wallace, Joseph R. Weir, William A. Wells, Harry B. Smith, Wm. D. Van Vliet.

GREATER NEW YORK SAVINGS BANK, BROOKLYN

(498 Fifth Avenue; incorporated 1897)

C. J. OBERMAYER, *President* WM. OBERMAYER, *Secretary*

TRUSTEES:

C. J. Obermayer, Charles Ruston, William J. Maxwell, W. F. Vanden Houten, Allan Bowie, Thomas Murphy, Alex. G. Calder, Frank A. Selle, Milo M. Belding, Jr., H. B. McNair, Chas. G. Balmanno, Wm. Obermayer, W. M. Meserole, Adolph Rehbein, Walter Critchley, John Lamont, Archibald Simpson, Gustave Hartung, John E. Ruston, Frederick W. Starr, Wm. W. Spence, Ludwig Merklein, Guy Loomis, Wm. D. Buckner.

GREENBURGH SAVINGS BANK, DOBBS FERRY

(93 Main Street; incorporated 1869)

W. WARD TOMPKINS, *President* W. HOWARD LOSEE, *Secretary*

TRUSTEES:

W. W. Tompkins, Thomas Losee, Thomas Maher, Charles G. Storms, Sylvester L. Storms, Charles H. Bevers, Henry E. Bliss, Louis F. Murray, Sylvester Buckhout, Robert Denniston, Matthew Allison, Jerome Bradley, Walter Keys, W. Howard Losee, Anthony S. Lester.

GREENPOINT SAVINGS BANK, BROOKLYN

(807 Manhattan Avenue; incorporated 1868)

EPHRAIM A. WALKER, *President* GEORGE W. FELTER, *Secretary*

TRUSTEES:

Ephraim A. Walker, John D. Felter, Peter Burden, Henry Ducker, Donald A. Manson, Lewis Jurgens, Jas. A. McCafferty, George W. Felter, David Martin, Albert L. Perry, Frank S. Harlow, Fernand S. Bellevue, Chas. H. Reynolds.

GREENWICH SAVINGS BANK, NEW YORK CITY

(246 and 248 Sixth Avenue; incorporated 1833)

JAMES QUINLAN, *President* CHARLES M. DUTCHER, *Treasurer*

TRUSTEES:

Lowell Lincoln, Edward N. Tailer, Algernon S. Frissell, David M. Morrison, James Quinlan, Wm. R. Stewart, Alfred L. White, B. Aymar Sands, L. K. Wilmerding, Chas. D. Dickey, Theo. D. Whitmarsh, Bradish Johnson, Geo. A. Morrison, William A. Street, Carl Schefer, Chas. F. Hoffman, Frank H. Dodd, John H. Rhoades, Arthur Iselin, Francis M. Bacon, Jr., C. N. Bliss, Jr., George Blagden, Henry C. Swords, B. Ogden Chisolm, Lawrence L. Gillespie, Allen Wardwell, Edwin S. Marston, Edwin G. Merrill, W. de L. Kountze, Albert H. Wiggin, Gates W. McGarrah, Elgin R. L. Gould, Archibald D. Russell.

*HAMBURG SAVINGS BANK, BROOKLYN

(1451 Myrtle Avenue; incorporated 1906)

JAMES MOFFETT, *President* GEORGE C. UNBESCSHEIDER, *Secretary*

TRUSTEES:

James Moffett, David Engel, N. A. Stemmermann, H. L. Schelling, Henry C. Bohack, Albert L. Levi, Theodore C. Eppig, H. J. Holtermann, Chas. Aichmann, Rudolph Stutzmann, Ernest A. Fleischer, Otto Spangenberg, Henry C. Bainbridge, Wm. P. Boggs, Robert E. Moffett, David Schmidt.

HARLEM SAVINGS BANK, NEW YORK CITY

(124 East 125th Street; incorporated 1863)

WILLIAM E. TROTTER, *President* THOMAS R. EBERT, *Secretary*

TRUSTEES:

William E. Trotter, William T. Purdy, Granville F. Dailey, William Somerville, John J. Bell, Frank E. Wise, Henry B. Pye, M. J. Ennis, John F. Steeves, Walter P. Silleck, Olin J. Stephens, Warren A. Leonard, Alexander Walker, William Hills, Thomas R. Ebert, Ransom E. Wilcox, James A. Bennett.

HOME SAVINGS BANK OF THE CITY OF ALBANY, ALBANY

(13 North Pearl Street; incorporated 1871)

DAVID A. THOMPSON, *President* WM. F. HOURIGAN, *Treasurer*

TRUSTEES:

Thomas Austin, David A. Thompson, Samuel L. Munson, Henry Russell, William Sayles, M. W. Tebbutt, Samuel C. Wooster, William McDonald, Howard N. Fuller, Thomas R. Ward, Jr., J. Edward Poole, W. W. Batchelder, Geo. W. Van Slyke, Silas Sporborg, Wm. F. Hourigan, Hildreth J. Ackroyd.

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*Those marked with asterisk not members of the Savings Banks Association of the State of New York.

HOME SAVINGS BANK, BROOKLYN

(804 Manhattan Avenue; incorporated 1906)

GEO. H. GERARD, *President* V. M. POWELL, *Cashier*

TRUSTEES:

George H. Gerard, M. W. Gleason, John W. Burr, John J. Cashman, Thos. F. Kelly, Louis Stern, Oscar A. Boch, Chas. F. Ball, Chas. W. Griffin, Edgar H. Hazelwood, Edwin J. Sutphin, Thomas F. Kelly, J. R. Hazelwood, M. H. Kavanagh, George H. Rowe.

HOME SAVINGS BANK, WHITE PLAINS

(114 Central Avenue; incorporated 1893)

DAVID CROMWELL, *President* JOHN F. KREPPS, *Secretary*

TRUSTEES:

Henry R. Barrett, T. E. Carpenter, David Cromwell, Charles J. F. Decker, Henry P. Griffin, Charles Hammond, Harry S. Hamilton, James F. Horan, Charles D. Horton, Harvey Husted, John Y. Lavery, F. Herbert Nowill, William H. Lyon, Aaron Radick, Edward Schirmer, Stephen C. Smith, Elijah C. Sniffen, John F. Krepps, J. T. Lockwood, William H. Lyon.

HUDSON CITY SAVINGS INSTITUTION, HUDSON

(560 Warren Street; incorporated 1850)

R. B. BENEDICT, *President* S. MITCHELL RAINEY, *Treasurer*

TRUSTEES:

Russel B. Benedict, Louis A. Bristol, Noah H. Browning, Louis P. Church, A. V. S. Cochrane, Herman F. Dernell, Robert W. Evans, John W. Gillette, Frank B. Harder, Jacob P. Mesick, S. Mitchell Rainey, Chas. A. Van Deusen, Everts Ten Broeck.

IRVING SAVINGS INSTITUTION, NEW YORK CITY

(115 Chambers Street; incorporated 1851)

HAMPDEN E. TENER, *President* GEORGE B. DUNNING, *Secretary*

TRUSTEES:

Wm. H. B. Totten, John W. Nix, Henry Kroger, John O. Williams, Wm. C. Demorest, James H. Killough, D. Beckermann, Samuel S. Conover, George B. Dunning, Hampden E. Tener, Samuel B. Downes, John Tiebout, Lewis E. Pierson, Nathan F. Vought, William H. Frame, John J. Walton, Willard S. Brown, George N. Robinson, Eugene M. Travis.

ITALIAN SAVINGS BANK OF THE CITY OF NEW YORK

(64 and 66 Spring Street; incorporated 1896)

JOSEPH N. FRANCOLINI, *President* PASQUALE I. SIMONELLI, *Secretary*

TRUSTEES:

Domenico Abbate, Antonio C. Astarita, Nicholas Barrett, Vito Contessa, Jos. N. Francolini, Lawrence M. D. McGuire, Antonio Pisani, Celestino Piva, Domenico Saladino, P. I. Simonelli, James J. Slevin, Antonio Stella, John Elton Wayland, Alexander S. Webb, Antonio Zucca, Bernard J. McCann.

ITHACA SAVINGS BANK, ITHACA

(118 North Tioga Street; incorporated 1868)

Roger B. Williams, *President* A. B. Hillick, *Treasurer*

TRUSTEES:

Charles H. Blood, Edward H. Bostwick, F. C. Cornell, John C. Gauntlett, Alvah B. Hillick, James A. McKinney, Jared T. Newman, George E. Priest, David B. Stewart, Henry A. St. John, Robert H. Treman, Mynderse Van Cleef, Roger B. Williams, Emmons L. Williams.

JAMAICA SAVINGS BANK, JAMAICA

(360 Fulton Street; incorporated 1850)

William A. Warnoch, *President* Martin S. Rapelye, *Secretary*

TRUSTEES:

William A. Warnock, William W. Gillen, Stephen Ryder, J. Tyler Watts, Martin S. Rapelye, Leander B. Faber, George K. Meynen, Willet C. Durland, William L. Wood, Philip M., Wood, Robert W. Higbie, Edgar Dubs Shimer, Charles E. Twombly, A. James Van Siclen, Starr Brinckerhoff.

JEFFERSON COUNTY SAVINGS BANK, WATERTOWN

(202 Washington Street; incorporated 1859)

A. T. E. Lansing, *President* F. H. Waddingham, *Treasurer*

TRUSTEES:

F. R. Farwell, D. C. Middleton, O. E. Hungerford, G. V. S. Camp, Geo. C. Sherman, Robt. J. Buck, H. Purcell, S. R. Cleveland, D. M. Anderson, D. M. Cosgrove, A. T. E. Lansing, S. A. Upham, F. M. Parker, P. A. Pitcher.

THE KINGS COUNTY SAVINGS INSTITUTION, BROOKLYN

(Broadway corner Bedford Avenue; incorporated 1860)

Hubert G. Taylor, *President* Jacob Hentz, *Cashier*

TRUSTEES:

Wm. S. Liptrott, Edward McGarvey, Hubert G. Taylor, John S. McKeon, George P. Jacobs, Alfred Hodges, Augustus P. Day, John H. Mowen, William C. Carrick, Charles G. Bennett, J. Carlisle Loudon, Cornelius E. Donnellon James R. Brennen, W. Winthrop Taylor, S. A. Coykendall.

KINGSTON SAVINGS BANK, KINGSTON

(273 Wall Street; incorporated 1874)

James A. Betts, *President* Charles Tappen, *Treasurer*

TRUSTEES:

James A. Betts, George Burgevin, Zadoc P. Boice, Sam Bernstein, Joseph de Graff, Everett Fowler, John E. Kraft, John J. Linson, Charles Tappen, Myron Teller, V. B. Van Wagonen, Levan S. Winne, D. N. Mathews.

LONG ISLAND CITY SAVINGS BANK, LONG ISLAND CITY

(Bridge Plaza; incorporated 1875)

W. J. Burnett, *President* J. H. Smedley, *Secretary*

TRUSTEES:

William J. Burnett, Charles W. Hallett, D. S. Jones, A. T. Payne, J. Harvey Smedley, C. A. Thompson, H. F. Jones, G. W. Williams, D. G. Morrison, L. P. Dexter, W. H. Siebrecht, John Harvey, Benjamin Moore, H. K. Lines.

MAIDEN LANE SAVINGS BANK, NEW YORK CITY

(170 Broadway; incorporated 1903)

F. A. Ringler, *President* — J. Heynen, *Secretary*

TRUSTEES:

Isaac W. Cokefair, John Q. Adams, Charles R. Jung, L. Burton Hall, Walter G. King, M. R. Maltbie, Aug. Oppenheimer, Andrew Patterson, F. A. Ringler, Hugo B. Roelker, Joel S. DeSelding, Robt. Schalkenbach, Leopold Stern, C. Edward Billquist, Chas. W. Lucas, John P. Windolph, Jacob Werner, Hugo R. Ritterbusch, M. M. Schwarzschild.

MANHATTAN SAVINGS INSTITUTION, NEW YORK CITY

(644 and 646 Broadway; incorporated 1850)

Joseph Bird, *President* — Frank G. Stiles, *Secretary*

TRUSTEES:

Henry B. Stokes, Benjamin Griffen, Simeon J. Drake, Edward V. Z. Lane, Richard Lathers, Jr., Robert A. McKim, Joseph Bird, Frank G. Stiles, James E. Ware, Edwin S. Schenck, Joseph T. Brown, Samuel Carey, J. McLean Walton, Walter C. Stokes, Erastus T. Tefft, Philip J. Ross, Francis B. Griffin, Herbert W. Morse, Z. Taylor Emery, Frederic W. Frost, Thomas E. Lovejoy.

MATTEAWAN SAVINGS BANK, BEACON

(572 Main Street; incorporated 1866)

Samuel K. Phillips, *President* — Benjamin Sullivan, *Treasurer*

TRUSTEES:

Addison G. Ormsbe, Benjamin Sullivan, B. Frank Greene, Samuel K. Phillips, T. J. Cunningham, Garret Storm, Frank H. Brett, Wm. H. Southard, Benj. I. D. Roosa, John O. Wixom, Peter H. Vosburgh, Gustave A. Schrader, Sherwood Phillips, Myron Smith, F. H. Van Houten, John H. Lynch, Herbert F. Stearns, Louis E. Kampf, Henry S. Corney, Eugene B. Smith, Henry D. Jackson.

MECHANICS' AND FARMERS' SAVINGS BANK, ALBANY

(63 State Street; incorporated 1855)

Dudley Olcott, *President*

Clarence W. Stevens, *Secretary* — Robert Olcott, *Treasurer*

TRUSTEES:

Dudley Olcott, Charles Newman, Daniel Leonard, Robert Olcott, James McCredie, Nathan Hatch, Parker Corning, Willard M. Douglas, Isaac D. F. Lansing, A. Page Smith, Charles H. Douglas, John T. Norton, Walter L. Palmer.

MECHANICS' SAVINGS BANK, BEACON

(91 Main Street; incorporated 1866)

John T. Smith, *President* — Bertram L. Smith, *Treasurer*

TRUSTEES:

John T. Smith, Benjamin Hammond, John P. Rider, John W. Corwin, Bertram L. Smith, Preston Greene, Ferd. Loughran, Chester Bond, Hugo Doob, Andrew Barnes, James Van Houten, George W. Beach, Aaron E. Aldridge, Wm. J. Conklin, Frank L. Howard, S. M. Davidson, A. H. Blackburn, Robert R. Neade, W. J. Pralatowski.

MECHANICS' SAVINGS BANK, COHOES

(89-91 Remsen Street; incorporated 1873)

RODNEY WILCOX, *President* G. W. HUMPHREYS, *Secretary*

TRUSTEES:

Rodney Wilcox, Abner J. Griffin, Frank Tessier, Edward Foley, James S. Clute, John E. MacLean, G. W. Humphreys, Wm. B. Le Roy, Hugh Graham, George Oliver, William E. Thorn, Andrew Scotland, Richard Bolton, John F. Reavy, Jay Gilbert, Thos. H. Sprague, Henry L. Shaver, S. T. Page.

MECHANICS' SAVINGS BANK, ROCHESTER

(18 Exchange Street; incorporated 1867)

J. J. BAUSCH, *President* FEDOR WILLIMEK, *Asst. Secretary*

TRUSTEES:

John J. Bausch, A. P. Little, William R. Seward, Louis J. Ernst, James H. Boucher, Wendell J. Curtis, William Karle, William B. Hale, Wilmot Castle, James C. Clements, Thomas B. Dunn, John S. Bronk, Chas. C. Beahan, Morris D. Knapp, George W. Robeson.

METROPOLITAN SAVINGS BANK, NEW YORK CITY

(59-61 Cooper Square; incorporated 1852)

J. B. CURREY, *President* EDWARD SHERER, *Secretary*

TRUSTEES:

Aug. S. Hutchins, William Sherer, Jonathan B. Currey, Waldo Hutchins, William E. Hutchins, Grove P. Mitchell, Willis S. Paine, Augustus K. Sloan, Robert D. Andrews, Augustus H. Sands, Edward H. Swan, Chas. P. Emmons, Edward Sherer, DeWitt C. Falls, John S. Spencer.

MIDDLETOWN SAVINGS BANK, MIDDLETOWN

(2 South Street; incorporated 1866)

GEORGE A. SWAYZE, *President* HAROLD B. WOODWARD, *Secretary*

TRUSTEES:

Daniel H. Bailey, Edmund Millen, Jesse W. Canfield, John E. Iseman, James A. Clark, John W. Slauson, Edward Canfield, Charles L. Mead, Geo. W. Ballou, James E. Gibbs, James H. Smith, H. B. Woodward, George A. Swayze.

MONROE COUNTY SAVINGS BANK, ROCHESTER

(33-35 State Street; incorporated 1850)

JAMES E. BOOTH, *President* DAVID HOYT, *Secretary*

TRUSTEES:

James E. Booth, Rufus K. Dryer, Alex. M. Lindsay, Cyrus F. Paine, Henry A, Strong, Thomas J. Devine, William B. Lee, Phar. V. Crittenden, Edward Bausch, William Carson, William C. Barry, David Hoyt, Martin F. Bristol, Joseph Michaels, Wm. A. Hubbard, Jr.

NATIONAL SAVINGS BANK OF THE CITY OF ALBANY, ALBANY

(70 and 72 State Street; incorporated 1868)

JAMES H. MANNING, *President* FREDERIC B. STEVENS, *Treasurer*

TRUSTEES:

James H. Manning, Chas. J. Buchanan, Harry C. Cushman, W. M. Woodward, Charles Gibson, James B. McEwan, Edward J. Hussey, James F. Maas, Sydney T. Jones, Thomas A. Horton, Charles I. Oliver, Edwin L. Draper, Frederic B. Stevens, Edgar M. Haines, Charles M. Stuart, Jonas Muhlfelder, Frank Sherman.

NEWBURGH SAVINGS BANK, NEWBURGH

(40 Smith Street; incorporated 1852)

THOMAS F. BALFE, *President* FREDERICK C. BALFE, *Treasurer*

TRUSTEES:

Thomas F. Balfe, Isaac C. Chapman, William O. Mailler, Joseph Chadwick, A. Y. Weller, George W. Green, F. W. Senff, William F. Cassedy, S. V. Schoonmaker, Frederick C. Balfe, John T. Howell, Hiram Merritt, Thos. F. Chadwick.

NEW PALTZ SAVINGS BANK, NEW PALTZ

(Main Street; incorporated 1871)

LEWIS H. WOOLSEY, *President* ABRAM B. DU BOIS, *Secretary*

TRUSTEES:

Lewis H. Woolsey, Jesse Eltinge, Abram B. Du Bois, Daniel Black, John J. Hull, A. W. Williams, Thomas Snyder, Frank J. Lefever, Abram P. Lefever, C. I. Lefever, Luther Hasbrouck, C. L. Van Orden, Charles M. Harcourt, Josiah P. Lefever, Simon Du Bois.

NEW YORK SAVINGS BANK, NEW YORK CITY

(83 Eighth Avenue; incorporated 1854)

WILLIAM FELSINGER, *President* JAMES L. WANDLING, *Treasurer*

TRUSTEES:

Archibald M. Pentz, John Webber, William Felsinger, James L. Wandling, Eibe D. Cordts, Benj. A. Williams, John H. Armstrong, John A. Greene, Thomas P. Spencer, William J. Hoe, Alexander M. Welch, William W. Hall, Frank B. Smidt.

NIAGARA COUNTY SAVINGS BANK, NIAGARA FALLS

(304 Niagara Street; incorporated 1890)

C. M. YOUNG, *President* JOHN MACKAY, *Secretary*

TRUSTEES:

L. W. Pettebone, Alex. J. Porter, Julius Krakoski, Francis H. Salt, Fred. J. Coe, George F. Nye, William C. Wallace, Joseph E. Montague, John T. Williamson, Chris. M. Young, Augustus G. Porter, Eugene Cary, De Lancy Rankine, John H. Ellenbaum, Richard Crick, Frederick Chormann, Drake Whitney, John MacKay, Henry Hubbs.

NORTH RIVER SAVINGS BANK, NEW YORK CITY

(31 West Thirty-fourth Street; incorporated 1866)

ADOLPHO H. FISCHER, *President* GEORGE T. CONNETT, *Secretary*

TRUSTEES:

Benjamin F. Mills, Adolpho H. Fischer, Christian F. Tietjen, John H. Selmes, Noel B. Sanborn, Charles Rohe, Thomas Stokes, Robert H. Goffe, R. H. Macdonald, William H. Sage, Albert B. Ashforth, John A. Hance, Chas. W. Carpenter, Charles H. Parsons, W. C. Otterson, T. A. Ball, Theodore H. Banks.

NORTH SIDE SAVINGS BANK, NEW YORK CITY

(3230 Third Avenue; incorporated 1905)

JOHN G. BORGSTEDE, *President* ARTHUR A. EKIRCH, *Secretary*

TRUSTEES:

John G. Borgstede, T. J. Chabot, T. Joseph Dunn, J. Clarence Davies, Henry Hahnenfeld, John C. Heintz, Thomas J. Higgins, Louis F. Kuntz, Richard W. Lawrence, Chas. F. Minor, Geo. N. Reinhardt, John Riegelman, George M. S. Schulz, Constantin Wagner, Fred. H. Wefer, George Wohn, Joseph Miller, Christian Rieger, Jr.

ONEIDA COUNTY SAVINGS BANK, ROME

(178 West Dominick Street; incorporated 1869)

CHARLES W. LEE, *President* — A. E. WEATHERBEE, *Treasurer*

TRUSTEES:

F. M. Orton, D. L. Greenfield, Howard C. Wiggins, John R. Edwards, W. W. Parry, Lawrence Carey, Arthur J. Wylie, John S. Wardwell, Charles W. Lee, James P. Olney, F. G. Rathbun, D. L. Bradt.

ONEIDA SAVINGS BANK, ONEIDA

(103-105 Main Street; incorporated 1866)

R. B. DOWNING, *President* — H. L. BALDWIN, *Treasurer*

TRUSTEES:

Roswell B. Downing, Eugene E. Coon, Ira L. Snell, Theo. F. Hand, Jr., E. Emmonds Coe, Le Grand Colton, E. Leland Hunt, William M. Baker, Geo. A. Marcellus, Anthony B. Munroe, Howard L. Baldwin, Rhody Toher, H. W. Coley.

ONONDAGA COUNTY SAVINGS BANK, SYRACUSE

(101 South Salina Street; incorporated 1855)

HENRY M. ROWLING, *President* — DOUGLAS E. PETIT, *Treasurer*

TRUSTEES:

Geo. M. Barnes, Chas. E. Chappell, W. D. Dunning, Charles A. Hudson, Salem Hyde, A. E. McChesney, T. Wm. Meachem, A. E. Nettleton, Anson N. Palmer, Hiram W. Plumb, John R. Clancy, Henry M. Rowling, Adolph H. Schwarz, Charles W. Snow, Charles L. Stone, Edward A. Powell, Clinton T. Rose.

OSWEGO CITY SAVINGS BANK, OSWEGO

(214 West First Street; incorporated 1859)

ELLIOTT B. MOTT, *President* — CHARLES S. WRIGHT, *Treasurer*

TRUSTEES:

Karl Kellogg, Niel Gray, Jr., Benjamin Denton, John Smith, James B. Farwell, Edward H. Farrell, James K. Stockwell, Edgar D. Johnson, Charles H. Bond, Thomas F. Gleason, Elisha B. Powell, Elliott B. Mott, Arthur C. Hall, John D. Higgins, Frank E. Sayer, Luther W. Mott.

OSWEGO COUNTY SAVINGS BANK, OSWEGO

(44 East Bridge Street; incorporated 1870)

W. B. COUCH, *President* — JAMES DUNLAP, *Treasurer*

TRUSTEES:

Cadwell B. Benson, Lawrence Clancy, S. Mortimer Coon, W. B. Couch, R. Arthur Downey, Oren F. Gaylord, Peter Hilbert, Frederick B. Shepherd, O. S. Osterhout, Hubert J. Peebles, Charles A. Tanner, Herbert A. Wilcox.

PAWLING SAVINGS BANK, PAWLING

(Incorporated 1870)

WM. H. OSBORN, *Vice-President* — GEO. A. DANIELS, *Treasurer*

TRUSTEES:

William H. Taber, Henry A. Holmes, George H. Adams, Henry S. Wanzer, Merrick D. Green, Howard N. Allen, Benjamin F. Burr, Francis F. Cole, William H. Osborn, George A. Daniels, Henry D. Warner, Fred. C. Taber, Frank A. Denton, Frank Hoag, Orson W. Sloat.

PEEKSKILL SAVINGS BANK, PEEKSKILL

(916 South Street; incorporated 1859)

Charles C. Knight, *President* Sanford R. Knapp, *Secretary*

TRUSTEES:

Sanford R. Knapp, Henry L. Armstrong, Ira D. Strang, Frederick Lent, Oscar Griffin, Alonzo Seymour, Robert S. Allen, Frank M. Dain, Edward E. Young, J. R Decatur, Charles C. Knight, Edward G. Halsey, William H. Croft, George W. Buchanan, Edmund Jordan.

*PEOPLE'S BANK FOR SAVINGS, NEW ROCHELLE

(252 Huguenot Street; incorporated 1906)

Henry M. Lester, *President* A. L. Hammett, *Secretary*

TRUSTEES:

W. W. Bissell, John Conlon, George T. Davis, R. C. Eddy, Mott Emigh, G. F. Flandreaux, J. F. Frantz, Geo. E. Galgano, William Kirchhoff, J. F. Lambden, Henry M. Lester, George W. Mahlstedt, W. R. Marvin, John F. New, John A. Peck, Charles Pryer, Samuel F. Swinburne, L. E. Van Etten, Howard R. Ware, George Watson.

PEOPLE'S SAVINGS BANK OF THE TOWN OF YONKERS, YONKERS, N. Y.

(12 and 14 Getty Square; incorporated 1866)

Charles E. Gorton, *President* Frank E. Wheeler, *Treasurer*

TRUSTEES:

Frank E. Wheeler, Charles E. Gorton, Robert H. Neville, Alexander Saunders, Gustav Schleuter, Charles E. Skinner, Andrew B. Barr, Alonzo P. Hazard, Albert C. Benedict, George H. Warren, Joseph Miller, Campbell Scott, Ralph B. Hibbard, Louis Spreckles, William Halley, Arthur Land E. B. Embree.

PORT CHESTER SAVINGS BANK, PORT CHESTER

(North Main and Willett streets; incorporated 1865)

William Ryan, *President* John W. Diehl, *Cashier*

TRUSTEES:

William Ryan, Edwin F. Studwell, John Miller, Ellwood Burdsall, H. L. Marshall, Jr., Josiah N. Wilcox, John W. McCarty, Charles H. Tibbits, Robert B. M. Cook, Leander Horton, John W. Diehl Frank H. Brown, Thomas Byrnes, Jr., Theodore C. Parker, Samuel Glock.

POUGHKEEPSIE SAVINGS BANK, POUGHKEEPSIE

(21 Market Street; incorporated 1831)

Floy M. Johnston, *President* John K. Sague, *Treasurer*

TRUSTEES:

Frank B. Lown, Henry V. Pelton, Edward S. Atwater, Henry E. Lowey, Wm. T. Reynolds, John C. Otis, Floy M. Johnston, Guilford Dudley, Charles F. Cossum, John K. Sague, Clarence W. Pierce, Henry Booth, James H. Young.

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*Those marked with asterisk not members of the Savings Banks Association of the State of New York.

PRUDENTIAL SAVINGS BANK, BROOKLYN

(Broadway and Vernon Avenue; incorporated 1908)

DIETRICH W. KAATZE, *President* HOLLIS H. SEARLES, *Cashier*

TRUSTEES:

Dietrich W. Kaatze, John Auer, Sr., John H. Scannell, Herbert A. O'Brien, Francis B. Mullin, Hollis H. Searles, Louis P. Buck, Charles Wiesman, Joseph F. Bischoff, Alfred E. Peck, Manasseh Miller, August Hasenflug, Chas. Vollmer, Robert W. Martin, Wm. H. Frank, Jos. Vollkommer, Wm. J. Elliott, Thos. H. Ireland, George P. Busch, Lewis C. Gehring.

PUTNAM COUNTY SAVINGS BANK, BREWSTER

(Main Street; incorporated 1871)

WARREN S. PADDOCK, *President* GEORGE H. REYNOLDS, *Secretary*

TRUSTEES:

Warren S. Paddock, Myron P. Howes, Frederic S. Barnum, David P. Vail, L. Starr Barnum, Alex. F. Lobdell, Arthur P. Budd, William E.Smith, Emerson W. Addis, H. Frank Paddock, Oscar Bailey, Geo. H. Reynolds, Daniel M. Barnes, Fred. A. Purdy, Benjamin O. Nichols, S. Pierr Fields.

QUEENS COUNTY SAVINGS BANK, FLUSHING

(80 Main Street; incorporated 1859)

WILLIAM T. JAMES, *President* A. C. HAGEMAN, *Cashier*

TRUSTEES:

Henry L. Bogert, Joseph Dykess, John W. Weed, E. Covert Hulst, Abram C. Hageman, John H. Wilson, John Hepburn, William T. James, Frank A. Collins, George E. Lewis, Harrison S. Moore, James H. Quinlan, D. H. Vandewater, James A. Macdonald, David Master.

RHINEBECK SAVINGS BANK, RHINEBECK

(15 Montgomery Street; incorporated 1860)

AUGUSTUS M. TRAVER, *President* THADDEUS A. TRAVER, *Treasurer*

TRUSTEES:

Augustus M. Traver, M. V. B. Schryver, William Thomson, Thad. A. Traver, Martin Heermance, C. S. Van Etten, A. Lee Wager, Jas. S. Armstrong, William R. Carroll, Mandeville S. Frost, Elmer Coon, Chas. B. Hoffman, Eugene P. Budd, Charles Ferris, Tracy Dows.

ROCHESTER SAVINGS BANK, ROCHESTER

(47 Main Street, West; incorporated 1831)

HAROLD P. BREWSTER, *President* HENRY S. HANFORD, *Treasurer*

TRUSTEES:

Rufus A. Sibley, Granger A. Hollister, James S. Watson, Hiram W. Sibley, Erickson Perkins, Josiah Anstice, Thos. W. Finucane, Harold P. Brewster, George Eastman, James C. Cutler, William S. Morse, J. Craig Powers, Wm. A. E. Drescher, Edward Harris, Daniel M. Beach.

RICHMOND COUNTY SAVINGS BANK, WEST NEW BRIGHTON

(1619 Richmond Terrace; incorporated 1886)

JOHN F. SMITH, *President* GEORGE H. TREADWELL, *Secretary*

TRUSTEES:

John F. Smith, Azel F. Merrell, Benedict Parker, George M. Matthius, Frank W.Tompkins, John A. Snyder, Henry P. Morrison, George H. Tredwell, Wm. J. Davidson, Samuel Eckstein, Albert K. Buhl, Samuel W. Fancher, Melvin L. Decker, Chas. E. Simonson, Jacob I. Housman, Joseph H. Maloy.

RIVERHEAD SAVINGS BANK, RIVERHEAD

(Main Street; incorporated 1872)

CHAS. M. BLYDENBURGH, *President* USHER B. HOWELL, *Secretary*

TRUSTEES:

Timothy M. Griffing, George W. Cooper, Geo. F. Stackpole, C. M. Blydenburgh, George M. Vail, Usher B. Howell, Joseph M. Belford, Thad. N. Benjamin, Otis G. Pike, Henry H. Preston, Erastus F. Post, Nat. S. Tuthill, George H. Perkins, F. Porter Howell, Jacob Meyer, Frank H. Wells, O. Edmund Griswold, Elbert M. Davis, Abram S. Post, Willis D. Van Brunt, Gilbert D. Rogers.

ROME SAVINGS BANK, ROME

(122 West Dominick Street; incorporated 1851)

SAMUEL H. BEACH, *President* JAMES T. STONE, *Treasurer*

TRUSTEES:

Samuel H. Beach, Henry Barnard, Sr., John D. McMahon, Theo. J. Mowry, James M. Ethridge, Carl Simon, Fred. M. Shelley, Geo. G. Clarabut, James A. Bailey, Herbert T. Dyett, James A. Spargo, George A. Clyde, A. R. Kessinger.

RONDOUT SAVINGS BANK, KINGSTON

(20 Ferry Street; incorporated 1868)

ISAAC M. NORTH, *President* J. E. DERRENBACHER, *Secretary*

TRUSTEES:

S. D. Coykendall, Isaac M. North, John S. Thompson, Wesley D. Hale, F. H. Griffiths, Frederick Stephan, Jr., Alexander A. Stern, J. D. Schoonmaker, J. E. Derrenbacher, James G. Rose, Harry H. Fleming, Nicholas Stock, Edward Coykendall.

ROSLYN SAVINGS BANK OF ROSLYN, ROSLYN

(Incorporated 1875)

THOMAS MOTT, *President* FREDERICK E. WILLITS, *Treasurer*

TRUSTEES:

Henry M. W. Eastman, Thomas Mott, Joseph H. Bogart, George P. Titus, Frederick E. Willits, Thos. W. Albertson, Frederick C. Hicks, Daniel J. Hegeman, John C. Baker, Richard U. Clark, Jotham Post, S. T. Rushmore, William W. Cocks, J. Clifton Monfort, Richard Downing, William Witte, Daniel Underhill, John A. Albertson, Daniel S. Woolley, Eugene W. Denton, Charles E. Conklin, Alfred V. Fraser, James Willets, George S. Emory, George W. Eastman.

*SAINT LAWRENCE COUNTY SAVINGS BANK, OGDENSBURG

(79 State Street; incorporated 1909)

ANDREW IRVING, *President* JAMES E. KELLY, *Treasurer*

TRUSTEES:

Ernest M. Akins, Frank W. Ames, Frank Chapman, George F. Darrow, Edward Derochie, Robt. J. Donahue, John P. Dunne, Edgar B. Elethorp, John Hannan, John C. Howard, Felix Hulser, Richard P. Hutchins, Andrew Irving, Walter G. Kellogg, James E. Kelly, Samuel W. Leonard, Grant C. Madill, Chas. D. Randles, Thomas Spratt, John B. Tyo, Geo. E. Van Kennen, James M. Wells, Abner D. Whitney, Dennis B. Lucey, Dennis Lynch.

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*Those marked with asterisk not members of the Savings Banks Association of the State of New York.

SAG HARBOR SAVINGS BANK, SAG HARBOR

(Main Street; incorporated 1860)

JAMES H. PIERSON, *President* EVERETT L. TINDALL, *Treasurer*

TRUSTEES:

John H. Hunt, Hervey T. Hedges, Oliver H. Nickerson, Henry F. Cook, William C. Greene, Everett L. Tindall, William R. Reimann, Olin M. Edwards, John Y. Corwin, Casper Schaefer, John M. Woodward, Burton D. Corwin, Ed. B. Hill, Frank W. Corwin, Addison M. Cook, Edward A. Hildreth, William D. Halsey, James H. Pierson, John Nugent, Edgar A. Hildreth, John Scott, Charles W. Rackett, Chas. W. Rackett, Jr., J. Henry Barnes, J. H. Mulford, Joseph S. Osborne, Jonathan Baker, William H. Pierson, Benj. F. Rogers, Clifford J. Foster.

*SAUGERTIES SAVINGS BANK, SAUGERTIES

(244 Main Street; incorporated 1871)

ALBERT CARNWRIGHT, *President* J. A. FRELIGH, *Secretary*

TRUSTEES:

Jacob Van Gelder, John W. Shults, Albert Carnwright, Alfred P. Lasher, Theo. B. Cornwell, Chas. T. Montgomery, Louis J. Butzel, James T. Maxwell, Myron Bedell, E. Clark Reed, Ed. M. Wilbur, Charles Lusk, Charles Lamb, Orville L. Carn.

SAVINGS BANK OF UTICA, UTICA

(233 Genesee Street; incorporated 1839)

CHARLES A. MILLER, *President* RUFUS P. BIRDSEYE, *Treasurer*

TRUSTEES:

William Kernan, Rufus P. Birdseye, Thomas R. Proctor, Charles A. Miller, Charles S. Symonds, Frank E. Wheeler, Theodore S. Sayre, Henry H. Cooper, George L. Curran, Geo. L. Bradford, J. De Peyster Lynch, Charles B. Rogers, N. E. Devereux.

SCHENECTADY SAVINGS BANK, SCHENECTADY

(500 State Street; incorporated 1834)

EVERETT SMITH, *President* ALLEN W. JOHNSTON, *Treasurer*

TRUSTEES:

Everett Smith, William L. Pearson, H. W. Dennington, John McDermott, Henry Bradt, Allen W. Johnston, Herman V. Mynderse, Lewis A. Skinner, William Dalton, George E. Emmons, H. Roger Hegeman, Chas. S. Washburn, F. W. McClellan.

SEAMEN'S BANK FOR SAVINGS IN THE CITY OF NEW YORK

(74 and 76 Wall Street; incorporated 1829)

DANIEL BARNES, *President* GEORGE M. HALSEY, *Cashier*

TRUSTEES:

George H. Macy, Frederick Sturges, Anson W. Hard, William E. Stiger, George F. Crane, W. H. Benedict, Anton A. Raven, Daniel Barnes, Edward W. Sheldon, George C. Clark, P. A. S. Franklin, Eugene Delano, Samuel Sloan, Henry R. Taylor, Thomas H. Hubbard, V. Everit Macy, Benjamin Strong, Jr., William A. Hazard.

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*Those marked with asterisk not members of the Savings Banks Association of the State of New York.

SENECA FALLS SAVINGS BANK, SENECA FALLS

(55 Fall Street; incorporated 1870)

Edward W. Addison, *President* Peter Trautman, *Secretary*

TRUSTEES:

Edward W. Addison, Norman J. Gould, Chas. F. Hammond, Horace D. Knight, Elias Lester, Fred Maier, Jr., Carl W. Maier, C. A. MacDonald, Chas. S. Sanderson, Fred. L. Story, Peter Troutman, Thomas J. Yawger, Henry R. Micks.

SKANEATELES SAVINGS BANK, SKANEATELES

(Genesee Street; incorporated 1866)

J. Horatio Earll, *President* Emerson H. Adams, *Treasurer*

TRUSTEES:

J. Horatio Earll, John C. Stephenson, W. F. Cuddeback, Emerson H. Adams, Philo S. Thornton, Geo. D. Cuddeback, Henry W. Hollon, David Colton, Charles W. Hunt, George Smith, Forest G. Weeks, F. Eugene Stone, Wm. T. Thorne.

SOUTH BROOKLYN SAVINGS INSTITUTION, BROOKLYN

(160-162 Atlantic Avenue; incorporated 1850)

William J. Coombs, *President* C. S. Dunning, *Treasurer*

TRUSTEES:

Walter M. Aikman, Charles A. Boody, Joseph E. Brown, Thos. O. Callender, William J. Coombs, Walter V. Cranford, Isaac H. Cary, Charles B. Denny, John W. Dodsworth, Clarence S. Dunning, J. Warren Greene, J. Morton Halstead, Arthur M. Hatch, Percy S. Mallett, Edgar McDonald, Albro J. Newton, John J. Pierrepont, Robt. L. Pierrepont, Jacob Steiner, Joseph H. Sutphin, Henry N. Whitney, William H. Cary, D. Irving Mead, Arnold W. Sherman, William L. Newton.

SOUTHOLD SAVINGS BANK, SOUTHOLD

(Main Street; incorporated 1858)

Jonathan B. Terry, *President* H. Howard Huntting, *Treasurer*

TRUSTEES:

Jonathan B. Terry, Henry W. Prince, H. Howard Huntting, Abraham F. Lowerre, William H. Terry, Joseph N. Hallock, Chas. Gildersleeve, William A. Fleet, Silas F. Overton, George H. Terry, John J. Bartlett, Clarence C. Miles, Elias P. Jennings, John H. Brown, Edward W. Latham, Josiah C. Case, Ralph G. Duvall.

STATEN ISLAND SAVINGS BANK, STAPLETON

(81 Water Street; incorporated 1864)

Edward C. Bridgman, *President* Herman C. Hagadorn, *Cashier*

TRUSTEES:

E. C. Bridgman, Willy Sonntag, W. Hudson Clark, Fedor Schmidt, J. B. Pearson, Ernst Wehneke, Otto Lindemann, Patrick Brady, Ed. C. Meurer, Chas. A. Bruns, Otto P. Heyn, William L. Voorhis, Charles Kappes, Edmund L. Judson, Geo. S. Humphrey, J. Ed. Stake, Frederick Seemann, John Carmichael, Otto J. Thomen, Carl F. Grieshaber, Ernest R. Moody.

SUMNER SAVINGS BANK, BROOKLYN

(12 Graham Avenue; incorporated 1906)

ARTHUR S. SOMERS, *President* WALLACE L. CONNER, *Secretary*

TRUSTEES:

Moses Bernstein, George Freifeld, Nathan S. Jonas, Ralph Jonas, Edward Lazansky, Ben Levy, Chas. Lyon, Matthew T. Meagher, S. B. Kraus, Henry Newman, Henry Roth, Arthur S. Somers, Victor B. Wolf.

SYRACUSE SAVINGS BANK, SYRACUSE

(102 North Salina Street; incorporated 1849)

GEORGE DOHENY, *President* WILLIAM J. REIDEL, *Treasurer*

TRUSTEES:

Jacob Amos, Frederick W. Barker, Joseph W. Dawson, Carleton A. Chase, J. Frank Durston, George Doheny, Alan C. Fobes, Frank Hiscock, Francis Hendricks, Edward Joy, William Muench, Dennis McCarthy, A. Judd Northrup, Nicholas Peters, William K. Pierce, Wing R. Smith, De Forest Settle, Leroy B. Williams.

TROY SAVINGS BANK, TROY

(State and Second streets; incorporated 1823)

CHARLES E. HANAMAN, *President* J. ERWIN ANTHONY, *Treasurer*

TRUSTEES:

Charles E. Hanaman, Walter P. Warren, Edward C. Gale, James K. P. Pine, George S. Robinson, Thomas Vail, James H. Caldwell, William F. Gurley, Harvey S. McLeod, William H. Shields, Frank E. Norton, Henry S. Ludlow, W. L. Thompson, Elias P. Mann, Paul Cook, William M. Sanford.

ULSTER COUNTY SAVINGS INSTITUTION, KINGSTON

(280 Wall Street; incorporated 1851)

E. H. LOUGHRAN, *President* JOHN B. ALLIGER, *Treasurer*

TRUSTEES:

John B. Alliger, Harry R. Brigham, Peter C. Black, Howard Chipp, Philip Elting, George Hutton, E. H. Loughran, John L. McGrath, James S. Winne, Charles S. Wood, Geo. W. Washburn, J. M. Schaffer, A. W. Thompson.

UNION SAVINGS BANK OF WESTCHESTER COUNTY, MAMARONECK

(60 West Post Road; incorporated 1887)

REUBEN G. BREWER, *President* GEO. L. LYON, *Treasurer*

TRUSTEES:

Bradford Rhodes, William A. Boyd, Thomas J. Meighan, Reuben G. Brewer, Chas. Field Griffin, Burton C. Meighan, William R. Bull, Edwin T. Cornell, Henry Fatton, George L. Lyon, Henry Moore, Charles C. Holden, Charles M. Baxter, Patrick H. Collins, Samuel R. Bell, Edward M. Clark, Michael Staub.

UNION DIME SAVINGS BANK, NEW YORK CITY

(701 Sixth Avenue; incorporated 1859)

ALEX. P. W. KINNAN, *President* FRANCIS M. LEAKE, *Treasurer*

TRUSTEES:

Wm. H. Locke, Charles A. Sackett, James H. Herrman, John R. Hegeman, Francis M. Leake, Wm. G. Ross, Clermont H. Wilcox, Alex. P. W. Kinnan, Frederick H. Ecker, William C. Lane, Abram C. DeGraw, John F. Thomson, Edgar A. Tredwell, William R. Innis, George Hadden, Willard E. Edmister, Frederic C. Meacham, Malcolm B. Dutcher, Wm. McMaster Mills.

UNION SAVINGS BANK OF PATCHOGUE, PATCHOGUE

(Ocean Avenue and Church Street; incorporated 1896)

JOSEPH BAILEY, *President* WALTER S. ROSE, *Secretary*

TRUSTEES:

Walter H. Jaycox, Joseph Bailey, Emerson G. Terrell, Arthur H. Terry, Nelson McBride, Milton G. Wiggins, Alden J. Woodruff, Gelston G. Roe, George B. Howell, William A. Hulse, Josiah Robbins, Charles E. Rose, Winfield S. Bennett, John T. Dare, Charles W. Avery, Ralph Dayton, E. Eugene Hawkins, Francis Gerber, Jacob Ockers, Julius Hauser, Robt. S. Pelletreau, H. Clay Losee, Riley P. Howell, Walter S. Rose.

UNION SQUARE SAVINGS BANK, NEW YORK CITY

(20 Union Square; incorporated 1848)

WILLIAM H. ROCKWOOD, *President* HENRY R. BRINCKERHOFF, *Secretary*

TRUSTEES:

E. L. Winthrop, Hewlett Scudder, W. Emlen Roosevelt, Chas. G. Thompson, Frederic S. Wells, Albert M. Patterson, Wm. DeF. Haynes, Isaac Townsend, Samuel Woolverton, Frank B. Keech, Bronson Winthrop, Edward M. Townsend, Lorin K. Scudder, Wm. H. Rockwood, Newbold T. Lawrence.

UNITED STATES SAVINGS BANK OF THE CITY OF NEW YORK

(606 Madison Avenue; incorporated 1889)

CHAS. N. TAINTOR, *President* JOHN HYSLOP, *Treasurer*

TRUSTEES:

Richard A. Anthony, Payson Merrill, Noah C. Rogers, John Hyslop, Alfred E. Marling, Charles N. Taintor, John P. Munn, James A. Frame, Edward I. Devlin, Edward H. Landon, Wm. C. Adams, William E. Peck, Francis G. Lloyd, W. Willis Reese, N. C. Fisher, Edwin J. Gillies, John E. Weeks, Adolphe F. Le Gost, Isaac N. Seligman, Langley W. Wiggin.

*UNIVERSAL SAVINGS BANK, NEW YORK CITY

(149 Broadway; incorporated 1907)

WILBUR F. BROWN, *President* WILBUR F. BROWN, JR., *Treasurer*

TRUSTEES:

Wilbur F. Brown, Robert McLean, C. L. Mitchell, Byron W. Greene, Wilbur F. Brown, Jr., Robert Mazet, Fancher Nicoll, Russell Dart, Samuel D. Folsom, Frank H. Hines, Courtney Hyde, August H. Tiemeyer, Blair S. Williams, William M. Morgan, Richard C. Corner, Robert C. Hill, Charles J. Austin, Sam. R. Outerbridge, Grover A. Whalen.

WALDEN SAVINGS BANK, WALDEN

(Corner Ulster Avenue and Bank Street; incorporated 1872)

HIRAM B. WOOSTER, *President* CHARLES W. SADLIER, *Treasurer*

TRUSTEES:

T. L. Millspaugh, Hiram B. Wooster, Albert S. Embler, Simon Vernooy, Elias Mulford, Edward Whitehead, Charles W. Sadlier, R. A. Demarest, C. Fred Fowler, Harvey N. Smith, Samuel Andrews, John Simpson, George N. Stoddard.

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*Those marked with asterisk not members of the Savings Banks Association of the State of New York.

WAPPINGER SAVINGS BANK, WAPPINGER FALLS

(2 Mill Street; incorporated 1869)

JAMES R. BARLOW, *President* WILLIAM A. BREWSTER, *Treasurer*

TRUSTEES:

John H. Dakin, Wm. A. Brewster, William K. Roy, James R. Barlow, J. Wickoff Cornell, John H. Wixson, George H. Angell, Charles T. Jones, Thomas J. Cashin, William J. Workman, I. T. N. Harcourt, G. A. Cunningham, R. H. Breed.

WARWICK SAVINGS BANK, WARWICK

(12 Main Street; incorporated 1875)

JOHN SAYER, *President* JOSEPH E. V. MILLER, *Treasurer*

TRUSTEES:

John Sayer, Jos. E. V. Miller, Thomas Welling, Wilbur C. Lazear, Benj. F. Vail, Henry Pelton, John W. Sanford, Joel H. Crissey, Clifford S. Beattie, John B. Bradner, Fred. C. Cary, W. B. Van Devoort, Morris Rutherford.

WATERTOWN SAVINGS BANK, WATERTOWN

(125 Washington Street; incorporated 1893)

ISAAC L. HUNT, *President* HARVEY W. STEELE, *Treasurer*

TRUSTEES:

Allen C. Beach, John R. Pawling, Fred. George, George H. Babcock, Silas L. George, H. W. Steele, Herbert E. Harmon, W. W. Conde, H. P. Dunlap, Charles D. Bingham, Andrew C. Cornwell, George J. Dryden, Lorenzo Smith, Isaac L. Hunt, Antonio F. Mills, Ira Sharp, Adam Bickelhaupt, Eli B. Johnson.

*WESTCHESTER COUNTY SAVINGS BANK, TARRYTOWN

(Broadway and Main Street; incorporated 1853)

ISAAC REQUA, *President* ELMORE T. WILLSEA, *Treasurer*

TRUSTEES:

Richard B. Coutant, Moses W. Taylor, David Silver, Eugene Barnes, Isaac Requa, Frank V. Millard, Elmore T. Willsea, Chas. E. Eddison, Joseph Blouin, B. F. Tompkins, Frederic G. Le Roy, Charles F. Smith, Wm. A. Burnham.

WESTERN SAVINGS BANK, BUFFALO

(438 Main Street; incorporated 1851)

ALBERT J. WHEELER, *President* FRANKLIN W. H. BECKER, *Secretary*

TRUSTEES:

Henry Erb, Henry Zipp, Albert J. Wheeler, Howard H. Baker, Charles Diebold, Jr., Henry E. Boller, William F. Wendt, F. W. H. Becker, William Simon, Lewis J. Heintz, Carl A. Strangmann, Chas. H. Donaldson, Daniel Good, Edw. E. Coatsworth.

WEST SIDE SAVINGS BANK, NEW YORK CITY

(110-112 Sixth Avenue; incorporated 1868)

CLARENCE O. BIGELOW, *President* WM. V. HUDSON, *Secretary*

TRUSTEES:

Clarence O. Bigelow, Walter V. Bishop, John J. Brogan, John C. Carpenter, Charles E. Duross, Edward R. Finch, Frank L. Frugone, Robert L. Harrison, James B. Horner, John W. Jacobus, George E. Marks, Arthur J. McClure, Joseph Rowan, F. L. Satterlee, Peter J. L. Searing, Thomas F. Somers, Chas. H. Van Aken, W. I. Lincoln Adams, V. Chapin Daggett, Joseph H. Emery, N. S. Westcott.

*Those marked with asterisk not members of the Savings Banks Association of the State of New York.

WILLIAMSBURGH SAVINGS BANK, BROOKLYN

(175 Broadway; incorporated 1851)

ANDREW D. BAIRD, *President* CHARLES J. PASFIELD, *Cashier*

TRUSTEES:

Ezra B. Tuttle, Brainard G. Latimer, Andrew D. Baird, Samuel M. Meeker, James H. Post, Jas. F. Bendernagel, Edward T. Horwill, Alfred Romer, Welding Ring, Herbert F. Gunnison, Francis W. Young, Paul E. Bonner, Edward E. Pearce, Albert S. Richey, Ralph H. Tiebout, John V. Jewell.

YONKERS SAVINGS BANK, YONKERS

(16 and 18 South Broadway; incorporated 1854)

JAMES H. WELLER, *President* CHARLES F. HULBERT, *Treasurer*

TRUSTEES:

S. Francis Quick, Wm. H. Thorne, James H. Weller, R. Eickemeyer, Albert L. Skinner, Harry L. Twine, John O. Campbell, Charles F. Hulbert, Benj. W. Stilwell, Wm. M. Dick, John Bellows, Wm. W. Scrugham, Eugene C. Clark, L. J. Schlesinger, Joseph H. Beall, Charles H. Ketcham, N. A. Warren.

C

MEMBERS OF THE SAVINGS BANKS ASSOCIATION OF THE STATE OF NEW YORK

BY GROUPS

Group 1

American Savings Bank	Buffalo
Erie County Savings Bank	Buffalo
Western Savings Bank	Buffalo
East Side Savings Bank	Rochester
Mechanics' Savings Bank	Rochester
Monroe County Savings Bank	Rochester
Rochester Savings Bank	Rochester
Niagara County Savings Bank	Niagara Falls
Seneca Falls Savings Bank	Seneca Falls

Group 2

Auburn Savings Bank	Auburn
Cayuga County Savings Bank	Auburn
Ithaca Savings Bank	Ithaca
Elmira Savings Bank	Elmira
Binghamton Savings Bank	Binghamton
Cortland Savings Bank	Cortland
Onondaga Savings Bank	Syracuse
Syracuse Savings Bank	Syracuse
Skaneateles Savings Bank	Skaneateles
Fulton Savings Bank	Fulton
Oswego City Savings Bank	Oswego
Oswego County Savings Bank	Oswego
Jefferson County Savings Bank	Watertown
Watertown Savings Bank	Watertown
Rome Savings Bank	Rome
Oneida County Savings Bank	Rome
Savings Bank of Utica	Utica
Oneida Savings Bank	Oneida
Geneva Savings Bank	Geneva

Group 3

Albany Savings Bank	Albany
Albany City Savings Institution	Albany
Albany County Savings Bank	Albany
Albany Exchange Savings Bank	Albany
Home Savings Bank	Albany

National Savings Bank	Albany
Mechanics' and Farmers' Savings Bank	Albany
Cohoes Savings Institution	Cohoes
Mechanics' Savings Bank	Cohoes
Amsterdam Savings Bank	Amsterdam
Goshen Savings Bank	Goshen
Middletown Savings Bank	Middletown
Walden Savings Bank	Walden
Warwick Savings Bank	Warwick
Ellenville Saving Bank	Ellenville
New Paltz Savings Bank	New Paltz
Kingston Savings Bank	Kingston
Rondout Savings Bank	Kingston
Ulster County Savings Bank	Kingston
Catskill Savings Bank	Catskill
Schenectady Savings Bank	Schenectady
Matteawan Savings Bank	Beacon
Mechanics' Savings Bank	Beacon
Pawling Savings Bank	Pawling
Poughkeepsie Savings Bank	Poughkeepsie
Rhinebeck Savings Bank	Rhinebeck
Wappinger Savings Bank	Wappinger Falls
Putnam County Savings Bank	Brewster
Hudson City Savings Institution	Hudson
Troy Savings Bank	Troy
Newburgh Savings Bank	Newburgh

GROUP 4

American Savings Bank	New York City
Bank for Savings	New York City
Bowery Savings Bank	New York City
Broadway Savings Institution	New York City
Bronx Savings Bank	New York City
Citizens' Savings Bank	New York City
Commonwealth Savings Bank	New York City
Dollar Savings Bank	New York City
Maiden Lane Savings Bank	New York City
Dry Dock Savings Institution	New York City
East River Savings Bank	New York City
Emigrant Industrial Savings Bank	New York City
Empire City Savings Bank	New York City
Excelsior Savings Bank	New York City
Franklin Savings Bank	New York City
German Savings Bank	New York City
Greenwich Savings Bank	New York City
Harlem Savings Bank	New York City
Irving Savings Institution	New York City
Italian Savings Bank	New York City
Manhattan Savings Bank	New York City
Metropolitan Savings Bank	New York City
New York Savings Bank	New York City
North River Savings Bank	New York City
North Side Savings Bank	New York City
Seamen's Bank for Savings	New York City
Union Dime Savings Bank	New York City
Union Square Savings Bank	New York City
United States Savings Bank	New York City

West Side Savings Bank	New York City
Bank for Savings	Ossining
Greenburgh Savings Bank	Dobbs Ferry
Home Savings Bank	White Plains
Peekskill Savings Bank	Peekskill
People's Savings Bank	Yonkers
Port Chester Savings Bank	Port Chester
Union Savings Bank of Westchester Co.	Mamaroneck
Yonkers Savings Bank	Yonkers

GROUP 5

Brevoort Savings Bank	Brooklyn
Brooklyn Savings Bank	Brooklyn
Bushwick Savings Bank	Brooklyn
City Savings Bank	Brooklyn
Dime Savings Bank of Williamsburgh	Brooklyn
Dime Savings Bank of Brooklyn	Brooklyn
East Brooklyn Savings Bank	Brooklyn
Eastern District Savings Bank	Brooklyn
East New York Savings Bank	Brooklyn
Germania Savings Bank	Brooklyn
German Savings Bank	Brooklyn
Greater New York Savings Bank	Brooklyn
Green Point Savings Bank	Brooklyn
Home Savings Bank	Brooklyn
Kings County Savings Bank	Brooklyn
Prudential Savings Bank	Brooklyn
South Brooklyn Savings Bank	Brooklyn
Sumner Savings Bank	Brooklyn
Williamsburgh Savings Bank	Brooklyn
College Point Savings Bank	College Point
Long Island City Savings Bank	Long Island City
Queens County Savings Bank	Flushing
Riverhead Savings Bank	Riverhead
Sag Harbor Savings Bank	Sag Harbor
Southold Savings Bank	Southhold
Union Savings Bank	Patchogue
Roslyn Savings Bank	Roslyn
Richmond County Savings Bank	West New Brighton
Staten Island Savings Bank	Stapleton
Jamaica Savings Bank	Jamaica

D

OFFICERS OF THE SAVINGS BANKS ASSOCIATION OF THE STATE OF NEW YORK

1894–1914
(INCLUSIVE)

1894–1895

President

JOHN HARSEN RHOADES
President, Greenwich Savings Bank

First Vice-President

JAMES MCMAHON
President, Emigrant Industrial Savings Bank

Chairman Executive Committee

WM. C. STURGES
President, Seamen's Bank for Savings

Treasurer

ANDREW MILLS
Trustee, Dry Dock Savings Bank

Secretary

WM. G. CONKLIN
Secretary, Franklin Savings Bank

Executive Committee

WM. C. STURGES
President, Seamen's Bank for Savings

J. HOWARD KING
President, Albany Savings Bank

EDWARD C. DAWSON
President, Onondaga Savings Bank

A. C. MILLER
Treasurer, Utica Savings Bank

SAMUEL R. RAINEY
Secretary and Treasurer, Hudson City Savings Institution

Members, Ex-Officio

JOHN HARSEN RHOADES
President, Greenwich Savings Bank

ANDREW MILLS
Dry Dock Savings Bank

JAMES MCMAHON
President, Emigrant Industrial Savings Banks

WM. G. CONKLIN
Secretary, Franklin Savings Bank

1895–1896

President

JOHN HARSEN RHOADES
President, Greenwich Savings Bank

First Vice-President

JAMES MCMAHON
President, Emigrant Industrial Savings Bank

Chairman Executive Committee

WM. C. STURGES
President, Seamen's Bank for Savings

Treasurer

ANDREW MILLS
President, Dry Dock Savings Bank

1895–1896—*Continued*

Secretary

Wm. G. Conklin
Secretary, Franklin Savings Bank

David Hoyt
Secretary, Monroe County Savings Bank

Executive Committee

William C. Sturges
President, Seamen's Bank for Savings

Edward S. Dawson
President, Onondaga County Savings Bank

Samuel R. Rainey
Secretary and Treasurer, Hudson City Savings Institution

James M. Wentz
Vice-President, Newburgh Savings Bank

J. Howard King
President, Albany Savings Bank

Bryan H. Smith
President, Brooklyn Savings Bank

John P. Townsend
President, Bowery Savings Bank

Robert S. Donaldson
Secretary, Erie County Savings Bank

Members, Ex-Officio

John Harsen Rhoades
President, Greenwich Savings Bank

James McMahon
President, Emigrant Industrial Savings Bank

Andrew Mills
President, Dry Dock Savings Bank

Wm. G. Conklin
Secretary, Franklin Savings Bank

Nominating Committee

Charles E. Sprague
President, Union Dime Savings Bank

Charles E. Hanaman
President, Troy Savings Bank

Benjamin H. Huntington
President, Dime Savings Bank of Brooklyn

1896–1897

President

John Harsen Rhoades
President, Greenwich Savings Bank

First Vice-President

James McMahon
President, Emigrant Industrial Savings Bank

Treasurer

Andrew Mills
President, Dry Dock Savings Bank

Secretary

Wm. G. Conklin
Secretary, Franklin Savings Bank

Executive Committee

William C. Sturges
President, Seamen's Bank for Savings

Edward S. Dawson
President, Onondaga County Savings Bank

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Secretary and Treasurer, Hudson City Savings Institution

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Vice-President, Newburgh Savings Bank

J. Howard King
President, Albany Savings Bank

Bryan H. Smith
President, Brooklyn Savings Bank

John P. Townsend
President, Bowery Savings Bank

Robert S. Donaldson
Secretary, Erie County Savings Bank

Alexander E. Orr
President, South Brooklyn Savings Bank

Members, Ex-Officio

John Harsen Rhoades
President, Greenwich Savings Bank

James McMahon
President, Emigrant Industrial Savings Bank

Andrew Mills
President, Dry Dock Savings Bank

Wm. G. Conklin
Secretary, Franklin Savings Bank

1896–1897—*Continued*

Nominating Committee

SAMUEL D. STYLES, President, North River Savings Bank
J. B. CURREY, Secretary, Metropolitan Savings Bank
HENRY GECKLER, Secretary, Dime Savings Bank of Williamsburgh

1897–1898

President

JOHN HARSEN RHOADES
President, Greenwich Savings Bank

First Vice-President

JAMES MCMAHON
President, Emigrant Industrial Savings Bank

Treasurer

ANDREW MILLS
President, Dry Dock Savings Bank

Secretary

WM. G. CONKLIN
Secretary, Franklin Savings Bank

Executive Committee

SAMUEL R. RAINEY
Secretary and Treasurer, Hudson City Savings Institution

WILLIAM C. STURGES
President, Seaman's Bank for Savings

EDWARD S. DAWSON
President, Onondaga County Savings Bank

JAMES M. WENTZ
Vice-President, Newburgh Savings Bank

J. HOWARD KING
President, Albany Savings Bank

BRYAN H. SMITH
President, Brooklyn Savings Bank

JOHN P. TOWNSEND
President, Bowery Savings Bank

ROBERT S. DONALDSON
Secretary, Erie County Savings Bank

ALEXANDER E. ORR
President, South Brooklyn Savings Bank

Members, Ex-Officio

JOHN HARSEN RHOADES
President, Greenwich Savings Bank

JAMES MCMAHON
President, Emigrant Industrial Savings Bank

ANDREW MILLS
President, Dry Dock Savings Bank

WM. G. CONKLIN
Secretary, Franklin Savings Bank

Nominating Committee

SAMUEL D. STYLES
President, North River Savings Bank

J. B. CURREY
Secretary, Metropolitan Savings Bank

HENRY GECKLER
Secretary, Dime Savings Bank of Williamsburgh

1898–1899

President

JOHN HARSEN RHOADES
President, Greenwich Savings Bank

First Vice-President

JAMES MCMAHON
President, Emigrant Industrial Savings Bank

Treasurer

ANDREW MILLS
President, Dry Dock Savings Bank

Secretary

WM. G. CONKLIN
Secretary, Franklin Savings Bank

Executive Committee

SAMUEL R. RAINEY
Secretary and Treasurer, Hudson City Savings Institution

WILLIAM C. STURGES
President, Seamen's Bank for Savings

1898–1899—*Continued*

EDWARD S. DAWSON
President, Onondaga County Savings Bank

JAMES M. WENTZ
Vice-President, Newburgh Savings Bank

J. HOWARD KING
President, Albany Savings Bank

BRYAN H. SMITH
President, Brooklyn Savings Bank

JOHN P. TOWNSEND
President, Bowery Savings Bank

ROBERT S. DONALDSON
Secretary, Erie County Savings Bank

ALEXANDER E. ORR
President, South Brooklyn Savings Bank

Members, Ex-Officio

JOHN HARSEN RHOADES
President, Greenwich Savings Bank

JAMES MCMAHON
President, Emigrant Industrial Savings Bank

ANDREW MILLS
President, Dry Dock Savings Bank

WM. G. CONKLIN
Secretary, Franklin Savings Bank

Nominating Committee

SAMUEL D. STYLES
President, North River Savings Bank

J. B. CURREY
Secretary, Metropolitan Savings Bank

HENRY GECKLER
Secretary, Dime Savings Bank of Williamsburgh

1899–1900

President

JOHN HARSEN RHOADES
President, Greenwich Savings Bank

First Vice-President

JAMES MCMAHON
President, Emigrant Industrial Savings Bank

Treasurer

ANDREW MILLS
President, Dry Dock Savings Bank

Secretary

WM. G. CONKLIN
Secretary, Franklin Savings Bank

Executive Committee

SAMUEL R. RAINEY
Secretary and Treasurer, Hudson City Savings Institution

WILLIAM C. STURGES
President, Seamen's Bank for Savings

EDWARD S. DAWSON
President, Onondaga County Savings Bank

JAMES M. WENTZ
Vice-President, Newburgh Savings Bank

J. HOWARD KING
President, Albany Savings Bank

BRYAN H. SMITH
President, Brooklyn Savings Bank

JOHN D. HICKS
President, Bowery Savings Bank

ROBERT S. DONALDSON
Secretary, Erie County Savings Bank

ALEXANDER E. ORR
President, South Brooklyn Savings Bank

Members, Ex-Officio

JOHN HARSEN RHOADES
President, Greenwich Savings Bank

JAMES MCMAHON
President, Emigrant Industrial Savings Bank

ANDREW MILLS
President, Dry Dock Savings Bank

WM. G. CONKLIN
Secretary, Franklin Savings Bank

Nominating Committee

SAMUEL D. STYLES
President, North River Savings Bank

J. B. CURREY
President, Metropolitan Savings Bank

HENRY GECKLER
Secretary, Dime Savings Bank of Williamsburgh

1900–1901

President

Andrew Mills
President, Dry Dock Savings Bank

First Vice-President

James McMahon
President, Emigrant Industrial Savings Bank

Second Vice-President

Edward S. Dawson
President, Onondaga County Savings Bank

Third Vice-President

Charles E. Hanaman
President, Troy Savings Bank

Secretary

William G. Conklin
Secretary, Franklin Savings Bank

Treasurer

Jonathan B. Currey
President, Metropolitan Savings Bank

Executive Committee

John Harsen Rhoades
President, Greenwich Savings Bank

William C. Sturges
President, Seamen's Bank for Savings

James M. Wentz
Vice-President, Newburgh Savings Bank

J. Howard King
President, Albany Savings Bank

Bryan H. Smith
President, Brooklyn Savings Bank

John D. Hicks
President, Bowery Savings Bank

Robert S. Donaldson
Secretary, Erie County Savings Bank

Alexander E. Orr
President, South Brooklyn Savings Bank

David Hoyt
Secretary, Monroe County Savings Bank

Members, Ex-Officio

Andrew Mills
President, Dry Dock Savings Institution

James McMahon
President, Emigrant Industrial Savings Bank

Edward S. Dawson
President, Onondaga County Savings Bank

Charles E. Hanaman
President, Troy Savings Bank

William G. Conklin
The Franklin Savings Bank

Jonathan B. Currey
President, Metropolitan Savings Bank

Nominating Committee

Henry Geckler
Secretary, Dime Savings Bank of Williamsburgh

B. H. Huntington
President, Dime Savings Bank of Brooklyn

Frank M. Hurlbut
President, Institution for the Savings of Merchants' Clerks

1901–1902

President

Andrew Mills
President, Dry Dock Savings Institution

First Vice-President

James McMahon
President, Emigrant Industrial Savings Bank

Second Vice-President

Edward S. Dawson
President, Onondaga County Savings Bank

Third Vice-President

Charles E. Hanaman
President, Troy Savings Bank

Secretary

William G. Conklin
Secretary, Franklin Savings Bank

Treasurer

Jonathan B. Currey
President, Metropolitan Savings Bank

1901–1902—*Continued*

Executive Committee

John Harsen Rhoades
President, Greenwich Savings Bank

William C. Sturges
President, Seamen's Bank for Savings

James M. Wentz
President, Newburgh Savings Bank

Wm. B. Van Rensselaer
President, Albany Savings Bank

Bryan H. Smith
President, Brooklyn Savings Bank

John D. Hicks
President, Bowery Savings Bank

Robert S. Donaldson
Secretary, Erie County Savings Bank

Alexander E. Orr
President, South Brooklyn Savings Bank

David Hoyt
Secretary, Monroe County Savings Bank

Members, Ex-Officio

Andrew Mills
President, Dry Dock Savings Institution

James Mc. Mahon
President, Emigrant Industrial Savings Bank

Edward S. Dawson
President, Onondaga County Savings Bank

Charles E. Hanaman
President, Troy Savings Bank

William G. Conklin
Secretary, Franklin Savings Bank

Jonathan B. Currey
President, Metropolitan Savings Bank

Nominating Committee

B. H. Huntington
President, Dime Savings Bank of Brooklyn

Frank M. Hurlbut
President, Institution for the Savings of Merchants' Clerks

J. V. Meserole
President, Williamsburgh Savings Bank

1902–1903

President

Chas. A. Schieren
Germania Savings Bank

First Vice-President

James McMahon
President, Emigrant Industrial Savings Bank

Second Vice-President

Edward S. Dawson
President, Onondaga County Savings Bank

Third Vice-President

Charles E. Hanaman
President, Troy Savings Bank

Secretary

Wm. G. Conklin
Secretary, Franklin Savings Bank

Treasurer

Samuel D. Styles
President, North River Savings Bank

Executive Committee

William C. Sturges
President, Seamen's Bank for Savings

James M. Wentz
President, Newburgh Savings Bank

Wm. B. Van Rensselaer
President, Albany Savings Bank

Bryan H. Smith
President, Brooklyn Savings Bank

John D. Hicks
President, Bowery Savings Bank

Robert S. Donaldson
Secretary, Erie County Savings Bank

Alexander E. Orr
President, South Brooklyn Savings Bank

David Hoyt
Secretary, Monroe County Savings Bank

Charles E. Sprague
President, Union Dime Savings Institution

1902–1903—*Continued*

Members, Ex-Officio

CHAS. A. SCHIEREN
President, Germania Savings Bank

JAMES MCMAHON
President, Emigrant Industrial Savings Bank

EDWARD S. DAWSON
President, Onondaga County Savings Bank

CHARLES E. HANAMAN
President, Troy Savings Bank

WILLIAM G. CONKLIN
Secretary, Franklin Savings Bank

SAMUEL D. STYLES
President, North River Savings Bank

Nominating Committee

WILLIAM FELSINGER
President, New York Savings Bank

CHAS. A. MILLER
Vice-President, The Savings Bank of Utica

D. C. SMITH
Vice-President, Mechanics' Savings Bank of Fishkill

1903–1904

President

CHAS. A. SCHIEREN
President, Germania Savings Bank

First Vice-President

JAMES MCMAHON
President, Emigrant Industrial Savings Bank

Second Vice-President

EDWARD S. DAWSON
President, Onondaga County Savings Bank

Third Vice-President

CHARLES E. HANAMAN
President, Troy Savings Bank

Secretary

WILLIAM G. CONKLIN
Secretary, The Franklin Savings Bank

Treasurer

SAMUEL D. STYLES
President, North River Savings Bank

Executive Committee
For One Year

ALEXANDER E. ORR
President, South Brooklyn Savings Bank

CHARLES E. SPRAGUE
President, Union Dime Savings Institution

DAVID HOYT
Secretary, Monroe County Savings Bank

For Two Years

JAMES M. WENTZ
President, Newburgh Savings Bank

ROBERT S. DONALDSON
Secretary, Erie County Savings Bank

WM. B. VAN RENSSELAER
President, Albany Savings Bank

For Three Years

JOHN HARSEN RHOADES
President, Greenwich Savings Bank

WILLIAM C. STURGES
President, Seamen's Bank for Savings

WM. H. S. WOOD
President, Bowery Savings Bank

Members, Ex-Officio

CHARLES A. SCHIEREN
President, Germania Savings Bank

JAMES MCMAHON
President, Emigrant Industrial Savings Bank

EDWARD S. DAWSON
President, Onondaga County Savings Bank

CHARLES E. HANAMAN
President, Troy Savings Bank

WILLIAM G. CONKLIN
Secretary, The Franklin Savings Bank

SAMUEL D. STYLES
President, North River Savings Bank

Nominating Committee

WILLIAM FELSINGER
President, New York Savings Bank

CHARLES A. MILLER
Vice-President, The Savings Bank of Utica

JOHN T. SMITH
President, Mechanics' Savings Bank, Fishkill-on-the-Hudson

1904–1905

President

Wm. B. Van Rensselaer
President, Albany Savings Bank

First Vice-President

James McMahon
President, Emigrant Industrial Savings Bank

Second Vice-President

Edward S. Dawson
President, Onondaga County Savings Bank

Third Vice-President

Charles E. Hanaman
President, Troy Savings Bank

Secretary

William G. Conklin
Secretary, The Franklin Savings Bank

Treasurer

Samuel D. Styles
President, North River Savings Bank

Executive Committee
For One Year

James M. Wentz
President, Newburgh Savings Bank

Robert S. Donaldson
Secretary, Erie County Savings Bank

For Two Years

John Harsen Rhoades
President, Greenwich Savings Bank

William C. Sturges
President, Seamen's Savings Bank

Wm. H. S. Wood
President, Bowery Savings Bank

For Three Years

Alexander E. Orr
President, South Brooklyn Savings Bank

Charles E. Sprague
President, Union Dime Savings Institution

David Hoyt
Secretary, Monroe County Savings Bank

Members, Ex-Officio

Wm. B. Van Rensselaer
President, Albany Savings Bank

James McMahon
President, Emigrant Industrial Savings Bank

Edward S. Dawson
President, Onondaga County Savings Bank

Charles E. Hanaman
President, Troy Savings Bank

William G. Conklin
Secretary, The Franklin Savings Bank

Samuel D. Styles
President, North River Savings Bank

Andrew Mills
President, Dry Dock Savings Bank

Chas. A. Schieren
President, Germania Savings Bank

Nominating Committee

William Felsinger
President, New York Savings Bank

Chas. A. Miller
Vice-President, The Savings Bank of Utica

John T. Smith
President, Mechanics' Savings Bank, Fishkill-on-the-Hudson

1905–1906

President

Wm. B. Van Rensselaer
President, Albany Savings Bank

First Vice-President

James McMahon
President, Emigrant Industrial Savings Bank

Second Vice-President

Edward S. Dawson
President, Onondaga County Savings Bank

Third Vice-President

Charles E. Hanaman
President, Troy Savings Bank

1905–1906—*Continued*

Secretary

William G. Conklin
Secretary, The Franklin Savings Bank

Treasurer

Samuel D. Styles
President, North River Savings Bank

Executive Committee

For One Year

John Harsen Rhoades
President, Greenwich Savings Bank

William C. Sturges
President, Seamen's Bank for Savings

Wm. H. S. Wood
President, Bowery Savings Bank

For Two Years

Alexander E. Orr
President, South Brooklyn Savings Institution

Charles E. Sprague
President, Union Dime Savings Institution

David Hoyt
Secretary, Monroe County Savings Institution

For Three Years

Robert S. Donaldson
Treasurer, Erie County Savings Bank

Charles A. Miller
Vice-President, The Savings Bank of Utica

Thomas F. Balfe
Treasurer, Newburgh Savings Bank

Members, Ex-Officio

Wm. B. Van Rensselaer
President, Albany Savings Bank

James McMahon
President, Emigrant Industrial Savings Bank

Edward S. Dawson
President, Onondaga County Savings Bank

Charles E. Hanaman
President, Troy Savings Bank

William G. Conklin
Secretary, The Franklin Savings Bank

Samuel D. Styles
President, North River Savings Bank

Andrew Mills
President, Dry Dock Savings Institution

Chas. A. Schieren
President, Germania Savings Bank

Nominating Committee

John T. Smith
President, Mechanics' Savings Bank, Fishkill-on-the-Hudson

Henry Hasler
President, Citizens' Savings Bank

S. Mitchell Rainey
Treasurer, Hudson City Savings Institution

1906–1907

President

William B. Van Rensselaer
President, Albany Savings Bank

First Vice-President

Edward S. Dawson
President, Onondaga County Savings Bank

Second Vice-President

Charles E. Hanaman
President, Troy Savings Bank

Third Vice-President

Thomas M. Mulry
President, Emigrant Industrial Savings Bank

Secretary

William G. Conklin
Secretary, The Franklin Savings Bank

Treasurer

Samuel D. Styles
President, North River Savings Bank

Executive Committee

For One Year

Alexander E. Orr
Trustee, South Brooklyn Savings Bank

Charles E. Sprague
President, Union Dime Savings Institution

1906–1907—*Continued*

David Hoyt
Secretary, Monroe County Savings Bank

For Two Years

Robert S. Donaldson
Treasurer, Erie County Savings Bank

Charles A. Miller
Vice-President, The Savings Bank of Utica

Thomas F. Balfe
Treasurer, Newburgh Savings Bank

For Three Years

William C. Sturges
President, Seamen's Bank for Savings

Wm. H. S. Wood
President, Bowery Savings Bank

William Felsinger
President, New York Savings Bank

Members, Ex-Officio

Wm. B. Van Rensselaer
President, Albany Savings Bank

Edward S. Dawson
President, Onondaga County Savings Bank

Charles E. Hanaman
President, Troy Savings Bank

Thomas M. Mulry
President, Emigrant Industrial Savings Bank

William G. Conklin
Secretary, The Franklin Savings Bank

Samuel D. Styles
President, North River Savings Bank

John Harsen Rhoades
President, Greenwich Savings Bank

Andrew Mills
President, Dry Dock Savings Institution

Charles A. Schieren
President, Germania Savings Bank

Nominating Committee

John T. Smith
President, Mechanics' Savings Bank, Fishkill-on-the-Hudson

Henry Hasler
President, Citizens' Savings Bank

S. Mitchell Rainey
Treasurer, Hudson City Savings Institution

1907–1908

President

William B. Van Rensselaer
President, Albany Savings Bank

First Vice-President

Walter Trimble
President, Seamen's Bank for Savings

Second Vice-President

Charles E. Hanaman
President, Troy Savings Bank

Third Vice-President

Thomas M. Mulry
President, Emigrant Industrial Savings Bank

Secretary

William G. Conklin
Secretary, The Franklin Savings Bank

Treasurer

Samuel D. Styles
President, North River Savings Bank

Executive Committee

For One Year

Robert S. Donaldson
Treasurer, Erie County Savings Bank

Charles A. Miller
Vice-President, The Savings Bank of Utica

Thomas F. Balfe
Treasurer, Newburgh Savings Bank

For Two Years

J. V. Meserole
President, Williamsburgh Savings Bank

Wm. H. S Wood
President, Bowery Savings Bank

William Felsinger
President, New York Savings Bank

For Three Years

Wm. J. Coombs
President, South Brooklyn Savings Institution

1907–1908—*Continued*

CHARLES E. SPRAGUE
President, Union Dime Savings Institution

DAVID HOYT
Secretary, Monroe County Savings Bank

Members, Ex-Officio

WM. B. VAN RENSSELAER
President, Albany Savings Bank

WALTER TRIMBLE
President, Bank for Savings

CHARLES E. HANAMAN
President, Troy Savings Bank

CHARLES A. SCHIEREN
President, Germania Savings Bank

THOMAS M. MULRY
President, Emigrant Industrial Savings Bank

WILLIAM G. CONKLIN
Secretary, Franklin Savings Bank

SAMUEL D. STYLES
President, North River Savings Bank

ANDREW MILLS
President, Dry Dock Savings Institution

Nominating Committee

JOHN T. SMITH
President, Mechanics' Savings Bank, Fishkill-on-the-Hudson

HENRY HASLER
President, Citizens' Savings Bank

S. MITCHELL RAINEY
Treasurer, Hudson City Savings Institution

1908–1909

President

CHARLES A. MILLER
Vice-President, Savings Bank of Utica

First Vice-President

WALTER TRIMBLE
President, Bank for Savings

Second Vice-President

CHARLES E. HANAMAN
President, Troy Savings Bank

Third Vice-President

THOMAS M. MULRY
President, Emigrant Industrial Savings Bank

Secretary

WILLIAM F. PATTERSON
Treasurer, Dry Dock Savings Institution

Treasurer

SAMUEL D. STYLES
President, North River Savings Bank

Executive Committee

For One Year

J. V. MESEROLE
President, Williamsburgh Savings Bank

WM. G. CONKLIN
President, Franklin Savings Bank

WILLIAM FELSINGER
President, New York Savings Bank

For Two Years

WM. J. COOMBS
President, South Brooklyn Savings Institution

CHARLES E. SPRAGUE
President, Union Dime Savings Institution

DAVID HOYT
Secretary, Monroe County Savings Bank

For Three Years

ROBERT S. DONALDSON
President, Erie County Savings Bank

HENRY A. SCHENCK
President, Bowery Savings Bank

THOMAS F. BALFE
Treasurer, Newburgh Savings Bank

Members, Ex-Officio

CHARLES A. MILLER
Vice-President, The Savings Bank of Utica

WALTER TRIMBLE
President, Bank for Savings

CHARLES E. HANAMAN
President, Troy Savings Bank

1908–1909—*Continued*

Charles A. Schieren
President, Germania Savings Bank

Thomas M. Mulry
President, Emigrant Industrial Savings Bank

Samuel D. Styles
President, North River Savings Bank

Andrew Mills
President, Dry Dock Savings Institution

W. B. Van Rensselaer
President, Albany Savings Bank

William F. Patterson
Treasurer, Dry Dock Savings Institution

Nominating Committee

John T. Smith
President, Mechanics' Savings Bank, Fishkill-on-the-Hudson

Henry Hasler
President, Citizens' Savings Bank

S. Mitchell Rainey
Treasurer, Hudson City Savings Institution

1909–1910

President

Thomas M. Mulry
President, Emigrant Industrial Savings Bank

First Vice-President

Walter Trimble
President, Bank for Savings

Second Vice-President

Chas. E. Hanaman
President, Troy Savings Bank

Third Vice-President

Wm. Felsinger
President, New York Savings Bank

Secretary

Jonathan B. Currey
President, Metropolitan Savings Bank

Treasurer

Samuel D. Styles
President, North River Savings Bank

Executive Committee

For One Year

Wm. J. Coombs
President, South Brooklyn Savings Institution

Charles E. Sprague
President, Union Dime Savings Institution

David Hoyt
Secretary, Monroe County Savings Bank

For Two Years

Robert S. Donaldson
President, Erie County Savings Bank

Henry A. Schenck
President Bowery Savings Bank

Thomas F. Balfe
President, Newburgh Savings Bank

For Three Years

Wm. G. Conklin
President, Franklin Savings Bank

Wm. C. Sturges
President, Dime Savings Bank of Williamsburgh

E. T. Maynard
Comptroller, Brooklyn Savings Bank

Members, Ex-Officio

Thomas M. Mulry
President of the Association

Chas. E. Hanaman
Second Vice-President of the Association

Samuel D. Styles
Treasurer of the Association

Andrew Mills
Ex-President of the Association

Chas. A. Miller
Ex-President of the Association

Walter Trimble
First Vice-President of the Association

1909–1910—*Continued*

WM. FELSINGER
Third Vice-President of the Association

CHAS. A. SCHIEREN
Ex-President of the Association

WM. B. VAN RENSSELAER
Ex-President of the Association

JONATHAN B. CURREY
Secretary of the Association

Nominating Committee

JOHN T. SMITH
President, Mechanics' Savings Bank Fishkill

FRANK M. HURLBUT
President, Union Square Savings Bank

S. MITCHELL RAINEY
Treasurer, Hudson City Savings Institution

1910–1911

President

CHARLES E. HANAMAN
President, The Troy Savings Bank

First Vice-President

WALTER TRIMBLE
President, Bank for Savings, New York City

Second Vice-President

WILLIAM FELSINGER
President, New York Savings Bank

Third Vice-President

ROBERT S. DONALDSON
President, Erie County Savings Bank, Buffalo

Secretary

FREDERIC B. STEVENS
Treasurer, National Savings Bank, Albany

Treasurer

SAMUEL D. STYLES
President, North River Savings Bank

Executive Committee

For One Year

HENRY A. SCHENCK
President, Bowery Savings Bank

THOMAS F. BALFE
President, Newburgh Savings Bank

CASIMIR TAG
President, German Savings Bank New York City

For Two Years

WILLIAM G. CONKLIN
President, Franklin Savings Bank

WILLIAM C. STURGES
President, Dime Savings Bank of Williamsburgh

E. T. MAYNARD
Comptroller, Brooklyn Savings Bank

For Three Years

WM. J. COOMBS
President, South Brooklyn Savings Institution

CHARLES E. SPRAGUE
President, Union Dime Savings Institution, New York City

DAVID HOYT
Secretary, Monroe County Savings Bank, Rochester

Members, Ex-Officio

CHARLES E. HANAMAN
President of the Association

WALTER TRIMBLE
First Vice-President of the Association

WILLIAM FELSINGER
Second Vice-Pres. of the Association

ROBERT S. DONALDSON
Third Vice-President of the Association

SAMUEL D. STYLES
Treasurer of the Association

CHARLES A. SCHIEREN
Ex-President of the Association

ANDREW MILLS
Ex-President of the Association

THOMAS M. MULRY
Ex-President of the Association

CHARLES A. MILLER
Ex-President of the Association

FREDERIC B. STEVENS
Secretary of the Association

Nominating Committee

JOHN T. SMITH
President, Mechanics' Savings Bank, Fishkill

1910–1911—*Continued*

S. Mitchell Rainey
Treasurer, Hudson City Savings Institution, Hudson, N. Y.

William F. Patterson
Treasurer, Dry Dock Savings Institution, New York City

1911–1912

President

Charles E. Hanaman
President, The Troy Savings Bank

First Vice-President

Walter Trimble
President, Bank for Savings, New York City

Second Vice-President

William Felsinger
President, New York Savings Bank

Third Vice-President

Robert S. Donaldson
President, Erie County Savings Bank, Buffalo

Secretary

Frederic B. Stevens
Treasurer, National Savings Bank, Albany

Treasurer

Frank M. Hurlbut
President, Union Square Savings Bank, New York City

Executive Committee

For One Year

Henry A. Schenck
President, Bowery Savings Bank

Thomas F. Balfe
President, Newburgh Savings Bank

Casimir Tag
President, German Savings Bank, New York City

For Two Years

William G. Conklin
President, Franklin Savings Bank

William C. Sturges
President, Dime Savings Bank of Williamsburgh

E. T. Maynard
Comptroller, Brooklyn Savings Bank

For Three Years

William J. Coombs
President, South Brooklyn Savings Institution

Chas. E. Sprague
President, Union Dime Savings Institution, New York City

David Hoyt
Secretary, Monroe County Savings Bank, Rochester

Members, Ex-Officio

Charles E. Hanaman
President of the Association

Walter Trimble
First Vice-President of the Association

William Felsinger
Second Vice-Pres. of the Association

Robert S. Donaldson
Third Vice-President of the Association

Charles E. Schieren
Ex-President of the Association

Thomas M. Mulry
Ex-President of the Association

Andrew Mills
Ex-President of the Association

Charles A. Miller
Ex-President of the Association

Frank M. Hurlbut
Treasurer of the Association

Frederic B. Stevens
Secretary of the Association

Nominating Committee

John T. Smith
President, Mechanics' Savings Bank, Fishkill

S. Mitchell Rainey
Treasurer, Hudson City Savings Institution, Hudson, N. Y.

William F. Patterson
Treasurer, Dry Dock Savings Institution, New York City

1912–1913

President

Harold P. Brewster
President, Rochester Savings Bank

First Vice-President

Walter Trimble
President, Bank for Savings, New York City

Second Vice-President

William Felsinger
President, New York Savings Bank

Third Vice-President

Robert S. Donaldson
President, Erie County Savings Bank, Buffalo

Secretary

Frederic B. Stevens
Treasurer, The National Savings Bank, Albany

Treasurer

William H. Rockwood
President, Union Square Savings Bank, New York City

Executive Committee

Harold P. Brewster
President of the Association

Walter Trimble
First Vice-President of the Association

William Felsinger
Second Vice-President of the Association

Robert S. Donaldson
Third Vice-President of the Association

Charles E. Hanaman
Ex-President of the Association

Thomas M. Mulry
Ex-President of the Association

Charles A. Miller
Ex-President of the Association

Frederic B. Stevens
Secretary of the Association

William H. Rockwood
Treasurer of the Association

John M. Satterfield	Chairman Group No. 1
Clinton T. Rose	Chairman Group No. 2
James H. Manning	Chairman Group No. 3
Andrew Mills	Chairman Group No. 4
Eugene F. Barnes	Chairman Group No. 5
David Hoyt	Secretary Group No. 1
W. B. Couch	Secretary Group No. 2
S. Mitchell Rainey	Secretary Group No. 3
George E. Edwards	Secretary Group No. 4
Henry Stumpf	Secretary Group No. 5

1913–1914

President

William Felsinger
President, New York Savings Bank

Second Vice-President

Robert S. Donaldson
President, Erie County Savings Bank, Buffalo

Third Vice-President

Clinton T. Rose
President, Onondaga County Savings Bank, Syracuse

Secretary

Frederic B. Stevens
Treasurer, The National Savings Bank, Albany

Treasurer

William H. Rockwood
President, Union Square Savings Bank, New York Cty

Counsel

Charles A. Miller
President, The Savings Bank of Utica

Executive Committee

WILLIAM FELSINGER
President of the Association

ROBERT S. DONALDSON
Second Vice-Pres. of the Association

CLINTON T. ROSE
Third Vice-President of the Association

EDWIN P. MAYNARD
Ex-President of the Association

HAROLD P. BREWSTER
Ex-President of the Association

CHARLES E. HANAMAN
Ex-President of the Association

THOMAS M. MULRY
Ex-President of the Association

FREDERIC B. STEVENS
Secretary of the Association

WILLIAM H. ROCKWOOD
Treasurer of the Association

JOHN M. SATTERFIELD	Chairman Group No. 1
SAMUEL H. BEACH	Chairman Group No. 2
JAMES H. MANNING	Chairman Group No. 3
HENRY A. SCHENCK	Chairman Group No. 4
EUGENE F. BARNES	Chairman Group No. 5
DAVID HOYT	Secretary Group No. 1
W. B. COUCH	Secretary Group No. 2
S. MITCHELL RAINEY	Secretary Group No. 3
GEORGE E. EDWARDS	Secretary Group No. 4
HENRY STUMPF	Secretary Group No. 5

List of Presidents, Vice-Presidents, Secretaries, and Treasurers of the Savings Banks Association of the State of New York from 1893 to and including the year 1913.

PRESIDENTS

1893.	James McMahon	New York City
1894.	John Harsen Rhoades	" " "
1895.	John Harsen Rhoades	" " "
1896.	John Harsen Rhoades	" " "
1897.	John Harsen Rhoades	" " "
1898.	John Harsen Rhoades	" " "
1899.	John Harsen Rhoades	" " "
1900.	Andrew Mills	" " "
1901.	Andrew Mills	" " "
1902.	Charles A. Schieren	" " "
1903.	Charles A. Schieren	" " "
1904.	William B. Van Rensselaer	Albany, N. Y.
1905.	William B. Van Rensselaer	" " "
1906.	William B. Van Rensselaer	" " "
1907.	William B. Van Rensselaer	" " "
1908.	Chas. A. Miller	Utica, N. Y.
1909.	Thos. M. Mulry	New York City
1910.	Chas. E. Hanaman	Troy, N. Y.
1911.	Chas. E. Hanaman	" " "
1912.	Harold P. Brewster	Rochester, N. Y.
1913.	Edwin P. Maynard (resigned)	Brooklyn, N. Y.
1913.	Wm. Felsinger	" " "

FIRST VICE-PRESIDENTS

1893–1905.	James McMahon	New York City.
1906.	Edward S. Dawson	Syracuse, N. Y.
1907–1912.	Walter Trimble	New York City
1913.	William Felsinger	" " "

Second Vice-Presidents

1900–1905.	Edward S. Dawson	Syracuse, N. Y.
1906–1909.	Chas. E. Hanaman	Troy, N. Y.
1910–1912.	William Felsinger	New York City
1913.	Robert S. Donaldson	Buffalo, N. Y.

Third Vice-Presidents

1900–1905.	Charles E. Hanaman	Troy, N. Y.
1906–1908.	Thos. M. Mulry	New York City
1909.	William Felsinger	" " "
1910–1912.	Robt. S. Donaldson	Buffalo, N. Y.
1913.	Clinton T. Rose	Syracuse, N. Y.

Secretaries

1893–1907.	Wm. G. Conklin	New York City
1908.	William F. Patterson	" " "
1909.	Jonathan B. Currey	" " "
1910–1913.	Frederic B. Stevens	Albany, N. Y.

Treasurers

1893.		
1894.	Andrew Mills	New York City
1895–1899.	Andrew Mills	" " "
1900.	Jonathan B. Currey	" " "
1901.	Jonathan B. Currey	" " "
1902–1909.	Samuel D. Styles	" " "
1910.	Samuel D. Styles, Frank M. Hurlbut	" " "
1911.	Frank M. Hurlbut	" " "
1912–1913.	Wm. H. Rockwood	" " "

Counsel

1908.	Chas. Addison Miller	Utica

E

NOMINATING COMMITTEES

1894–1913 INCLUSIVE

1894

J. HOWARD KING, President, Albany Savings Bank; SAMUEL R. RAINEY, Secretary-Treasurer, Hudson City Savings Institution; and CONSTANT A. ANDREWS, President, United States Savings Bank, New York City.

1895

CHARLES E. SPRAGUE, President, Union Dime Savings Institution; CHARLES E. HANAMAN, President, Troy Savings Bank; BENJAMIN H. HUNTINGTON, President, Dime Savings Bank of Brooklyn.

1896–1899

SAMUEL D. STYLES, President, North River Savings Bank; J. B. Currey, Secretary Metropolitan Savings Bank; HENRY GECKLER, Secretary, Dime Savings Bank of Williamsburgh.

1900

HENRY GECKLER, Secretary, Dime Savings Bank of Williamsburgh; H. B. HUNTINGTON, President, Dime Savings Bank of Brooklyn; FRANK M. HURLBUT, President, Institution for the Savings of Merchants' Clerks.

1901

H. B. HUNTINGTON, President, Dime Savings Bank of Brooklyn; FRANK M. HURLBUT, President, Institution for the Savings of Merchants' Clerks; J. V. MESEROLE, President, Williamsburgh Savings Bank.

1902

WILLIAM FELSINGER, President, New York Savings Bank; CHAS. A. MILLER, Vice-President, The Savings Bank of Utica; D. C. SMITH, Vice-President Mechanics' Savings Bank of Fishkill.

1903–1904

WILLIAM FELSINGER, President, New York Savings Bank; CHAS. A. MILLER, Vice-President, The Savings Bank of Utica; JOHN T. SMITH, President Mechanics' Savings Bank, Fishkill.

1905–1909

JOHN T. SMITH, President, Mechanics' Savings Bank, Fishkill; HENRY HASLER, President Citizens' Savings Bank; S. MITCHELL RAINEY, Treasurer, Hudson City Savings Institution.

JOHN T. SMITH, President Mechanics' Savings Banks, Fishkill; FRANK M. HURLBUT, President, Union Square Savings Bank; S. MITCHELL RAINEY, Treasurer, Hudson City Savings Institution.

1910

John T. Smith, President, Mechanics' Savings Bank, Fishkill; S. Mitchell Rainey, Treasurer, Hudson City Savings Institution, Hudson, William F. Patterson, Treasurer, Dry Dock Savings Institution, New York City.

1911

John T. Smith, President, Mechanics' Savings Bank, Fishkill; S. Mitchell Rainey, Treasurer, Hudson City Savings Institution, Hudson; Wm. F. Patterson, Treasurer, Dry Dock Savings Institution, New York City.

1912

John T. Smith, President, Mechanics' Savings Bank, Fishkill; William F. Patterson, Treasurer, Dry Dock Savings Institution, New York City; S. Mitchell Rainey, Secretary-Treasurer, Hudson City Savings Institution.

1913

Marcus T. Hun (Chairman), Albany Savings Bank; A. P. W. Kinnan, Union Dime Savings Bank, New York City; Franklin W. H. Becker, Western Savings Bank, Buffalo.

F

DECEASED MEMBERS OF
THE SAVINGS BANKS ASSOCIATION OF THE STATE OF NEW YORK

From April 7, 1894, to February 5, 1913

NAME	BANK	TITLE	DATE
Morgan, Henry P.	Brooklyn Savings Bank	President	April 7, 1894
Murphy, P. M.	Albany City Savings Institution	President	June 27, 1894
Van Dusen, Samuel B.	Greenwich Savings Bank	Trustee	July 2, 1894
Brevoort, Henry L.	Brevoort Savings Bank	Trustee	July 6, 1895
Pultz, Charles R.	Rhinebeck Savings Bank	First Vice-President	July 16, 1894
Van Horne, Edgar A.	Oswego Savings Bank	Trustee	July 31, 1894
Chapin, Louis	Monroe Co. Savings Bank	Trustee	August 1, 1894
Montague, George	Bowery Savings Bank	Trustee	August 13, 1894
Dettloff, Gustave	East New York Savings Bank	Vice-President	August 13, 1894
Williamson, James	Sing Sing Savings Bank	President	September 7, 1894
Wheeler, Chas. H.	Union Dime Savings Bank	Trustee	October 9, 1894
White, Leonard D.	Greenwich Savings Bank	Secretary and Trustee	November 16, 1894
Beers, Edwin	Dime, Brooklyn	Trustee	November 18, 1894
Close, Odle	Putnam Co. Savings Bank	Trustee	November 19, 1894
Campbell, Andrew J.	New York Savings Bank	Trustee	December 6, 1894
Miller, Addison C.	Utica Savings Bank	Treasurer	December 18, 1894
Kelly, Eugene	Emigrant Industrial Savings Bank	Trustee	December 19, 1894
Davis, Jesse J.	Dry Dock Savings Bank	Trustee	December 23, 1894
Mattice, Manly B.	Catskill Savings Bank	President	December 25, 1894
Welden, James K.	Binghamton Savings Bank	Trustee	January 14, 1895
Bearns, Wm. J. G.	Kings Co. Savings Bank	Trustee	January 24, 1895
Stivers, Moses D.	Middletown Savings Bank	Trustee	February 3, 1895

Doolittle, Benjamin	Oswego Co. Savings Bank	Second Vice-President	February 6. 1895
Sprague, Eben C.	Erie Co. Savings Bank	Attorney	February 14, 1895
Kimball, Wm. S.	Rochester Savings Bank	Trustee	March, 1895
Remsen, William	Greenwich Savings Bank	Vice-President and Trustee	March 3, 1895
Goodwin, Edwin, Jr.	Brooklyn Savings Bank	Trustee	March 11, 1895
Hall, James	Dime Savings Bank, Brooklyn	Trustee	March 22, 1895
Ernst, Otto	German Savings Bank, New York	Trustee	April 6, 1895
Case, Jesse G.	Southold Savings Bank	Vice-President	April 11, 1895
Rodgers, Harris G	Binghamton Savings Bank	Treasurer	May 2, 1895
Hanson, David N.	Dime, Williamsburgh	Trustee	May 5, 1895
Rutter, Thomas	Bowery, N. Y.	Trustee	May 13, 1895
Winchester, Locke W.	Citizens, N. Y.	Trustee	May 17, 1895
Robbins, Geo. A.	Inst. for Savings Merchants' Clerks, N. Y.	Vice-President	May 25, 1895
Horton, James E.	Southold Savings Bank	Trustee	May 31, 1895
Lord, J. Pierpont	Dime Savings Bank, Brooklyn	Trustee	June 16, 1895
McVean, Alexander	Monroe Co. Savings Bank	Trustee	June 22, 1895
Gregory, Geo. F.	Brooklyn Savings Bank	Trustee	June 29, 1895
Kilbourn, James D	Oneida Co. Savings Bank	Trustee	June 30, 1895
Loomis, Edwin	Oneida Savings Bank	Treasurer	July 1, 1895
Lounsberry, E. D	Ellenville Savings Bank	Trustee	July 12, 1895
Lyles, Henry, Jr.	Bowery, N. Y.	Trustee	July 21, 1895
Zechiel, Louis	German, Brooklyn	Trustee	August 21, 1895
Sill, F. N.	Albany Co. Savings Bank	First Vice-President	August 23, 1895
Bruyn, Zachariah	New Paltz Savings Bank	Vice-President and Trustee	September 1, 1895
Lindenmeyr, Henry	German, N. Y.	Trustee	September 11, 1895
Campbell, John L.	Franklin, N. Y.	Trustee	September 22, 1895
Ottman, William	Citizens', N. Y.	Trustee	September 30, 1895
Beadleston, Wm. H.	Bowery, N. Y.	Trustee	October 24, 1895
Edwards, John B.	Oswego Co. Savings Bank	Trustee	November 4, 1895
Gray, Christopher	Kings Co. Savings Institution	Trustee	November 7, 1895
Johnson, Samuel W.	Port Chester Savings Bank	Trustee	November 26, 1895
Hart, Monmouth G.	Home Savings Bank	Attorney	December, 1895
Lockwood, Thomas W.	Troy Savings Bank	Trustee	December 8, 1895

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Franke, Henry	German, Kings Co.	Trustee	December 19, 1895
Townsend, Rufus K.	Albany Savings Bank	Trustee	December 21, 1895
Scott, John F.	Bowery, N. Y.	Trustee	December 25, 1895
Farwale, Addison M.	Jefferson Co. Savings Bank	Ex-President	December 29, 1895
Mapes, Stephen	Mechanics', Fishkill	Trustee	1896
Meade, Rosells	Pawling Savings Bank	Trustee	1896
Turner, Benjamin C.	Oswego Co. Savings Bank	Trustee	January, 1896
Houck, Philip	Western Savings Bank, Buffalo	President	January 6, 1896
Baylis, Abram B.	Brooklyn Savings Bank	Trustee	January 20, 1896
Barnard, George	Rome Savings Bank	Trustee	January 31, 1896
Smith, W. Brown	Syracuse Savings Bank	Trustee	February, 1896
Bliss, George	Greenwich, New York	Trustee	February 2, 1896
Jones, John B.	Wappinger Savings Bank	Chairman Ex. Com.	February 4, 1896
Rodgers, James H.	Union Dime, New York	Trustee	February 4, 1896
Foster, John F.	Riverhead Savings Bank	Trustee	February 6, 1896
Muldener, Ernest	Germania, Brooklyn	Trustee	February 7, 1896
Pugsley, Horam D.	Peekskill Savings Bank	Trustee	February 16, 1896
Cooper, Marvelle W.	Citizens' Savings Bank, New York	Trustee	February 22, 1896
Fanning, Nelson, Sr	Catskill Savings Bank	Trustee	February 28, 1896
Gray, Sylvester	Long Island City Savings Bank	President	March, 1896
Smith, Wm. B.	Syracuse Savings Bank	Vice-President and Trustee	March 10, 1896
Lawrence, Bryan	Emigrant Industrial	Trustee	March 10, 1896
Lawson, James T.	Newburgh Savings Bank	Trustee	March 20, 1896
Moir, William	Greenwich Savings Bank	Trustee	March 21, 1896
Walrath, Christopher A.	Oneida Savings Bank	Trustee	March 21, 1896
Dorrance, Daniel G.	Oneida Savings Bank	President	March 26, 1896
Matthews, E. F	Port Chester Savings Bank	Trustee	April 3, 1896
Gately, Dennis C.	Union Savings Bank	Trustee	April 3, 1896
Smith, George	Jefferson Co. Savings Bank	Trustee	April 3, 1896
Benzinger, Louis	Staten Island Savings Bank	Trustee	April 12, 1896

Wager, Daniel E.	Rome Savings Bank	Attorney	April 13, 1896
Standart, Charles.	Cayuga County Savings Bank	Vice-President	May 2, 1896
O'Brien, B. F	East Brooklyn Savings Bank	Trustee	May 10, 1896
Storrs, Richard A.	Bowery Savings Bank	Trustee	May 11, 1896
Hatch, Walter T.	Dime Savings Bank, Brooklyn	Trustee	June 8, 1896
Kinney, Orson A.	Cortland Savings Bank	Trustee	June 17, 1896
Waring, Daniel S.	Newburgh Savings Bank	Trustee	June 19, 1889
Youmans, Daniel D.	Excelsior Savings Bank	Trustee	July 16, 1896
Graves, Nathan F.	Syracuse Savings Bank	Trustee	July 21, 1896
Hait, Thaddeus	New Paltz Savings Bank	President	July 29, 1896
Sanford, Samuel B.	Troy Savings Bank	Trustee	August 4, 1896
Van Nest, Alexander.	Bowery Savings Bank	Trustee	August 10, 1896
Amend, Bernard	German, New York City	Trustee	August 28, 1896
Roesingh, Anton	College Point	Trustee	September 6, 1896
McLaury, William M.	Franklin Savings Bank	Trustee	September 8, 1896
Strong, Cyrus	Binghamton Savings Bank	Trustee	September 21, 1896
Patterson, Albert M.	Institution for Savings, Merchants' Clerks	Trustee	September 22, 1896
Weidmann, Paul	German Savings Bank, Brooklyn	Trustee	October 2, 1896
Wells, Edward	Peekskill Savings Bank	Trustee	October 2, 1896
Olwell, James	Emigrant Industrial Savings Bank	Trustee	August 12, 1896
Conklin, Thos J.	Southold Savings Bank	Trustee	October 19, 1896
Andrus, Hamlin J.	Yonkers Savings Bank	Trustee	October 21, 1896
Hasbrouck, Hiram	New Paltz Savings Bank	President	October 29, 1896
Gedney, William H.	Broadway Savings Institution	Trustee	November, 1896
Stewart, Chauncey	Kingston Savings Bank	Trustee	November 27, 1896
Steinway, William	German Savings Bank, New York	Second Vice-President	November 30, 1896
Hunting, Henry	Southold Savings Bank	Secretary and Treasurer	December 12, 1896
Ketcham, Enoch	Bowery Savings Bank	Trustee	December 17, 1896
Brinckerhoff, Chas. C.	Institution for Savings, Merchants' Clerks	Vice-President	December 17, 1896
Weber, John	Rondout Savings Bank	Trustee	December 20, 1896
Hustin, Henry H.	Mechanics' Savings Bank	Trustee	1897
Spear, Alfred W.	Bank for Savings, New York	Trustee	January 27, 1897
Helm, Dr. William H.	Sing Sing Savings Bank	Trustee	February 5, 1897

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Camp, Talcott H.	Jefferson Co. Savings Bank	President	February 7, 1897
Sherman, George H.	Jefferson Co. Savings Bank	Trustee	February 14, 1897
Bruyn, Chas. H.	Kingston Savings Bank	Trustee	February 17, 1897
Tucker, Luther H.	Albany Savings Bank	Trustee	February 23, 1897
Pauly, William	College Point Savings Bank	Trustee	February 25, 1897
Hale, Matthew	Albany Savings Bank	First Vice-President	March 26, 1897
Field, Aaron	Bowery Savings Bank	Trustee	April 10, 1897
Cramer, John N.	Rhinebeck Savings Bank	Trustee	May 3, 1897
Berry, George	Oneida Savings Bank	President	May 15, 1897
Gurley, Lewis E.	Troy Savings Bank	Trustee	May 18, 1897
Cook, Horace T.	Cayuga Co. Savings Bank	President	May 28, 1897
Titus, Frank S.	Roslyn Savings Bank	Secretary	June, 1897
King, Adolph L.	Staten Island Savings Bank	President	June 3, 1897
Briggs, Edwin	Peekskill Savings Bank	Vice-President	June 14, 1897
Childs, George B.	Ellenville Savings Bank	Secretary and Treasurer	June 18, 1897
James, Frederick H.	Erie Co. Savings Bank	Trustee	June 28, 1897
Richardson, Jackson	Elmira Savings Bank	President	July 1, 1897
Ayres, Abraham	Franklin Savings Bank	Trustee	July 9, 1897
Haviland, Winfield S.	Catskill Savings Bank	Trustee	July 21, 1897
Hillhouse, Thomas	Bank for Savings, New York	Trustee	July 31, 1897
Gill, Robinson	Dime, Williamsburgh	President	August 16, 1897
Lockwood, Joseph A.	Yonkers Savings Bank	Secretary	August 24, 1897
Baker, Benjamin	Monroe Co. Savings Bank	Trustee	August 30, 1897
Granger, Edmund W.	Empire State, Buffalo	Trustee	August 31, 1897
Bogart, Elbert H.	Roslyn Savings Bank	Trustee	September, 1897
Bryan, William	Hudson City Savings Institution	Trustee	September 11, 1897
Livingston, Wm. H.	Albany Co. Savings Bank	Trustee	September 30, 1897
Lewis, George H.	Empire State, Buffalo	Trustee	October 2, 1897
Marshall, John E.	Port Chester Savings Bank	Second Vice-President	October 5, 1897
Wright, Henry G.	Rome Savings Bank	Trustee	November 2, 1897

McCaffrey, Henry D.	Oswego Co. Savings Bank	Trustee	November 3, 1897
Brown, Alexander, Jr.	Union Dime Savings Bank	Trustee	November 13, 1897
Lent, Cornelius C.	Peekskill Savings Bank	Trustee	November 20, 1897
Hand, Theodore F.	Oneida Savings Bank	Vice-President	December 6, 1897
Whiting, Franklin	Williamsburgh Savings Bank	Vice-President	December 14, 1897
Morse, Chas. C.	Rochester Savings Bank	Trustee	December, 1897
Hasbrouck, Oscar	New Paltz Savings Bank	Trustee	1898
Roosevelt, James A.	Bank for Savings, New York	Trustee	July 15, 1898
Abenroth, Wm. P.	Port Chester Savings Bank	President	January 29, 1898
Hoysradt, Albert	Hudson City Savings Institution	Trustee	February, 1898
Carroll, William	Rhinebeck Savings Bank	Trustee	February 2, 1898
Meadows, William	Erie Co. Savings Bank	Trustee	March 1, 1898
Case, George M.	Fulton Savings Bank	Trustee	March 17, 1898
Hodges, Lewis L.	Western Buffalo	Second Vice-President	March 18, 1898
Ten Eyck, Jacob H.	Albany Savings Bank	Trustee	March 24, 1898
Myers, Peter	Wappinger Savings Bank	Trustee	March 24, 1898
Harder, Chas. N.	Hudson City Savings Institution	Trustee	April, 1898
Madden, M. J.	Rondout Savings Bank	Vice-President	April 2, 1898
Blood, Chas. F.	Ithaca Savings Bank	Trustee	April 12, 1898
Britton, Channing M.	Union Dime, New York	Vice-President	April 21, 1898
Hoagland, Cornelius N.	Dime, Brooklyn	Trustee	April 24, 1898
Acton, Thomas C.	Franklin Savings Bank.	Trustee	May 1, 1898
Bennett, Edward	Buffalo	President	May 13, 1898
Maclay, Robert	Bowery, New York	Second Vice-President	July 28, 1898
Bryant, William C.	Western, Buffalo	Trustee	September 3, 1898
Townsend, John P.	Bowery, New York	President	September 11, 1898
Hendrix, Isaac	New York Savings Bank	Trustee	September 19, 1898
McLeod, Chas. A.	Troy Savings Bank	Trustee	September 20, 1898
Stephan, Frederick	Rondout Savings Bank	Second Vice-President	September 20, 1898
Scott, Ross C.	Jefferson Co. Savings Bank	Trustee	September 20, 1898
Copeland, George N.	Cortland Savings Bank	Vice-President	September 30, 1898
Treman, Elias	Ithaca Savings Bank	Trustee	October 1, 1898
Murray, Dudley	Goshen Savings Bank	Secretary and Treasurer	October 23, 1898

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Knowlton, Edwin F.	Brooklyn Savings Bank	Trustee	October 25, 1898
Knapp, Oscar F.	Cayuga Co. Savings Bank	Trustee	October 26, 1898
Page, Wm. B.	Albany Co. Savings Bank	Trustee	October 30, 1898
Perkins, Gilman M.	Rochester Savings Bank	Trustee	November, 1898
Reeves, Floyd H.	Goshen Savings Bank	Vice-President	November 4, 1898
Lindsley, James G.	Rondout Savings Bank	President	November 4, 1898
Barrow, Henry	Bowery, New York	Trustee	December 21, 1898
Gray, Joseph H.	Greenwich Savings Bank	Trustee	December 22, 1898
Boughton, James	Dime, Williamsburgh	Trustee	December 29, 1898
Dickson, John	Excelsior, New York	Trustee	January, 1899
Cole, Jacob	Dime, Brooklyn	Trustee	January 3, 1899
Bodine, F.	Walden Savings Bank	Trustee	January 5, 1899
Marvin, Selden E.	Albany City Savings Institution	President	January 18, 1899
McGrath, George B.	Kings Co. Savings Institution	Trustee	January 18, 1899
Read, Jacob	Yonkers Savings Bank	Vice-President	January 30, 1899
Hye, Gustave	German, New York	Trustee	February 8, 1899
Underhill, Daniel	Roslyn Savings Bank	Trustee	February 10, 1899
Corrigan, Bernard	East New York Savings Bank	Trustee	February 15, 1899
McKevitt, Henry	Cortland Savings Bank	Trustee	February 19, 1899
Warner, Andrew	Institution for Savings, Merchants' Clerks.	President	March 5, 1899
Dixon, George	Cohoes Savings Bank	Trustee	March 9, 1899
Smith, N. Denton	Institution for Savings, Merchants' Clerks.	Trustee	March 9, 1899
White, Hamilton S.	Syracuse Savings Bank	Trustee	March 13, 1899
Wheeler, Cyrenus	Cayuga Co. Savings Bank	President	March 23, 1899
Twichell, Abram	Western Savings Bank, Buffalo	First Vice-President	March 26, 1899
Richmond, Jewett M.	Buffalo Savings Bank	First Vice-President	March 27, 1899
Davis, John H.	Ellenville Savings Bank	First Vice-President	March 31, 1899

Carpenter, Lewis E.	Cayuga Co. Savings Bank	Trustee	April 8, 1899
Loughran, Robert	Kingston Savings Bank	Second Vice-President	April 11, 1899
Steers, Edward P	Empire City Savings Bank	Trustee	April 22, 1899
Culgin, Guy	Dry Dock Savings Institution	Trustee	April 5, 1899
Abbott, William E	Onondaga Savings Bank	Trustee and Vice-President	April 5, 1899
Molloy, Thomas	Onondaga County Savings Bank	Trustee	April 5, 1899
Tillinghast, J. Wilbur	Albany Savings Bank	Trustee	May 26, 1899
Crampton, Henry E	Dry Dock Savings Institution	Trustee	May 28, 1899
Browne, Richard M	Roslyn Savings Bank	Trustee	June 5, 1899
Rhoads, George B.	Dry Dock Savings Institution	Trustee	June 10, 1899
Quintard, Edward A	Citizens' Savings Bank	President	June 26, 1899
Munroe, Ivers	Oneida Savings Bank	Attorney	July 5, 1899
Goodrich, Horace P	Cortland Savings Bank	Vice-President	July 25, 1899
Ganung, William J	Putnam Co. Savings Bank	Trustee	Aug. 2, 1899
Tilley, Daniel	Roslyn Savings Bank	Trustee	Aug. 9, 1899
Secor, Isaac	Sing Sing Savings Bank	Trustee	Aug. 14, 1899
Benjamin, Moses F	Riverhead Savings Bank	Trustee	September 8, 1899
Rodwell, James	Kings County Savings Institution	Trustee	September 9, 1899
Daly, Charles P	Greenwich Savings Bank	Trustee	September 19, 1899
Scott, Ross C.	Jefferson Co. Savings Bank	Trustee	September 20, 1899
Lansing, Abraham	Albany Savings Bank	Trustee	October 4, 1899
Dowd, William	Bowery Savings Bank	Trustee	October 9, 1899
Gomer, George	Bushwick Savings Bank	Trustee	October 10, 1899
Ackerly, Clifford B	Riverhead Savings Bank	Secretary	October 10, 1899
Tears, Jacob	Walden Savings Bank	Trustee	November 11, 1899
Schroeder, Frederick A	Germania Savings Bank	President	December 1, 1899
Oxner, John D.	Rome Savings Bank	Trustee	December 21, 1899
Osterhoudt, Howard	Kingston Savings Bank	Trustee	December 25, 1899
Albertson, William C.	Southold Savings Bank	Trustee	December 27, 1899
Sarles, Harvey I	Ellenville Savings Bank	Trustee	December 29, 1899
Armstrong, Lewis	Middle Farm Savings Bank	Vice-President	December 30, 1899
Waldo, George C	Excelsior Savings Bank	President	December 30, 1899
Dalton, William	Albany Exchange Savings Bank	Trustee	December 31, 1899

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Vandewater, George H.	Mechanics' Savings Bank, Fishkill	Trustee	1900
Hepburn, Leonard F.	Metropolitan Savings Bank	Trustee	January 5, 1900
Rodenbach, Christopher	Buffalo Savings Bank	Vice-President	January 6, 1900
Tuller, Ackley P.	Rome Savings Bank	Second Vice-President	January 9, 1900
Bissinger, Philip	German Savings Bank, New York City	President	January 10, 1900
Beardsley, William C.	Auburn Savings Bank	Trustee	January 10, 1900
Davidson, Charles A.	Greenwich Savings Bank	Trustee	January 19, 1900
Compson, George M.	Seneca Falls Savings Bank	Secretary	January 25, 1900
Stillman, Horace	Western Savings Bank	Trustee	January 25, 1900
Manning, John A.	Troy Savings Bank	Trustee	January 26, 1900
Reynolds, Charles H.	Bushwick Savings Bank	Trustee	January 31, 1900
Huntington, Ricard H.	Jefferson County Savings Bank	Trustee	February 8, 1900
Horrmann, August	Staten Island	President	February 9, 1900
Bartram, John W.	Wappinger Savings Bank	Attorney	February 12, 1900
Failing, Alonzo H.	Oswego Savings Bank	Secretary	February 12, 1900
Packard, Mitchell N.	Williamsburgh Savings Bank	Trustee	March 6, 1900
Trautman, Henry F.	Seneca Falls Savings Bank	Trustee	March 14, 1900
Rainey, Samuel R.	Hudson City Savings Bank	Secretary-Treasurer	March 17, 1900
Bronson, Frederick	Institution for Savings, Merchants' Clerks	Trustee	March 29, 1900
Seaman, Lloyd I.	Irving Savings Institution	Trustee	March 31, 1900
Young, Henry L.	Poughkeepsie Savings Bank	Trustee	April 7, 1900
Herrick, Henry	Amsterdam Savings Bank	Trustee	April 15, 1900
Rasch, John W.	Germania Savings Bank	Trustee	April 24, 1900
Schell, Robert	German Savings Bank	First Vice-President	May 7, 1900
Rogers, Harper W.	Hudson City Savings Bank	Trustee	May 12, 1901
Charles, John	Kingston Savings Bank	Trustee	May 18, 1901
Parsell, Henry V.	North River Savings Bank	Trustee	May 29, 1901
Rathbun, Acors	Albany Savings Bank	Trustee	May 31, 1901
McCormick, Richard C.	Citizens' Savings Bank	Trustee	June 2, 1901
Wade, Edgar	Sag Harbor	Treasurer	June 5, 1901

Moller, George H	German Savings Bank, New York City	President	June 24, 1901
Rorke, James	Emigrant Industrial Savings Bank	Trustee	July 2, 1901
Trand, Ferdinand	Citizens' Savings Bank	Trustee	July 2, 1901
Butterfield, Gen. Daniel	Citizens' Savings Bank	Trustee	July 17, 1901
Gray, Horace	The Seamen's Bank for Savings	Vice-President	July 18, 1901
Downey, John	The Greenwich Savings Bank	Trustee	July 19, 1901
Smith, George Washington	The Greenwich Savings Bank	Trustee	August 13, 1901
Sizer, Wm. S	Buffalo Savings Bank	Trustee	September 1, 1901
Cobb, Lyman, Jr	Yonkers Savings Bank	Cashier	September 2, 1901
Wallace, William C	Dime Savings Bank of Brooklyn	Trustee	September 4, 1901
Grell, Charles	College Point Savings Bank	Trustee	September 10, 1901
Hoag, Daniel T	American Savings Bank	President	September 12, 1901
Unger, Charles	German Savings Bank, New York City	Trustee	September 23, 1901
Beyer, George H	The Franklin Savings Bank	Vice-President	November 19, 1901
Slocum, Wm. H	East River Savings Bank	President	November 23, 1901
Moss, Courtlandt D	Citizens' Savings Bank	Trustee	November 24, 1901
Keiley, John D	Emigrant Industrial Savings Bank	Trustee	November 26, 1901
Bates, James H	Brooklyn Savings Bank	Trustee	November 29, 1901
Myers, John Gillespy	National Savings Bank, Albany	First Vice-President	December 1, 1901
Smith, Chauncey	Catskill Savings Bank	Trustee	December 1, 1901
Mills, John F	Portchester Savings Bank	President	December 5, 1901
Scheu, Jacob	Western Savings Bank	Trustee	December 7, 1901
Everett, Benjamin D	Putnam County Savings Bank	Vice-President	December 28, 1901
Scoville, Amasa H	East River Savings Institution	Trustee	December 31, 1901
Reeve, Benjamin H	Southold Savings Bank	Trustee	January 6, 1902
Goodhue, Charles F	East River Savings Institution	Trustee	January 16, 1902
Griswold, Chester	Institution for Savings, Merchants' Clerks	Trustee	January 23, 1902
Gilmore, Martin	Mechanics' Savings Bank of Cohoes	Trustee	January 27, 1902
Perkins, J. Henry	Riverhead Savings Bank	Trustee	January 29, 1902
Carpenter, Wm. B	The Poughkeepsie Savings Bank	Trustee	February 7, 1902
Cornwell, Daniel A	Roslyn Savings Bank	Trustee	February 14, 1902
Myer, Jesse	Ulster County Savings Institution	Trustee	February 16, 1902
Paddock, Walter H	Yonkers Savings Bank	Trustee	February 17, 1902

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Tucker, John J	The Bank for Savings in the City of New York	Second Vice-President	February 19, 1902
Salzman, John W.	Rondout Savings Bank	Trustee	February 20, 1902
Winne, Davis.	Ulster County Savings Bank	Trustee	February 26, 1902
Tappen, Frederic D	The Bank for Savings in the City of New York	First Vice-President	February 28, 1902
Sheldon, Henry K.	Brooklyn Savings Bank	Second Vice-President	March 2, 1902
Evans, Cornelius H	Hudson City Savings Institution	Trustee	March 5, 1902
Emerick, Abram	Fulton Savings Bank	Trustee	March 9, 1902
Voorhees, Frederick P	Union Dime Savings Institution	Trustee	March 19, 1902
Corey, Hiram D	Cortland Savings Bank	Trustee	March 20, 1902
Calkins, Amos T	Cohoes Savings Institution	First Vice-President	March 21, 1902
Getty, Robert P	Yonkers Savings Bank	Trustee	March 28, 1902
Dwight, Charles C., LL.D	Cayuga County Savings Bank	First Vice-President	April 8, 1902
Hersey, Jacob T. D	Broadway Savings Institution	Trustee	April 22, 1902
Seaman, Gilbert	West Side Savings Bank	Trustee	
Birdsall, George N	Union Dime Savings Institution	Treasurer	May 15, 1902
Churchill, G. Clarence	The Savings Bank of Utica	Second Vice-President	June, 1902
Morse, David R	The City Savings Bank of Brooklyn	Second Vice-President	June, 1902
Kraemer, Henry	College Point Savings Bank	Trustee	June 12, 1902
Talcott, Sehlen H	The Middletown Savings Bank	Trustee	June 15, 1902
Putnam, Charles C	The Brooklyn Savings Bank	Comptroller	June 17, 1902
Brown, Wm. J	Wappinger Savings Bank	Secretary	June 22, 1902
Merrifield, Edward L	Excelsior Savings Bank	Second Vice-President	June 25, 1902
Greenough, Williams	(Name of Bank not given)	Trustee	July 8, 1902
Held, Charles W	Citizens' Savings Bank	Secretary	July 13, 1902
White, Wm. G.	The Bank for Savings in the City of New York	Comptroller	July 18, 1902
Kent, George B	Onondaga County Savings Bank	Vice-President	July 25, 1902
Odell, George W	Citizens' Savings Bank	Trustee	July 26, 1902
James, John F	Brooklyn Savings Bank	Trustee	August 4, 1902
Wilkinson, Samuel	Ellenville Savings Bank	Trustee	August 18, 1902
Lawyer, J. A.	Jefferson County Savings Bank	Second Vice-President	September 12, 1902

Ashman, A. L.	Excelsior Savings Bank	Second Vice-President	October 24, 1902
Palmer, Francis A	Broadway Savings Bank	President	November 1, 1902
Brown, O. H.	Oswego City Savings Bank	Vice-President	November 9, 1902
Persch, Henry C.	The Western Savings Bank of Buffalo	Trustee	November 24, 1902
Remington, Stephen	The East Side Savings Bank of Rochester	Vice-President	December, 1902
Tillinghast, William H.	The Bank for Savings in the City of New York	Trustee	December 9, 1902
Burford, George H.	Empire City Savings Bank	Trustee	December 9, 1902
Wiggins, George W.	Jefferson County Savings Bank	President	December 22, 1902
Van Leuven, James	Ulster County Savings Bank	Trustee	December 26, 1902
Nichols, George	The Dime Savings Bank of Williamsburgh	Trustee	January 7, 1903
Russell, Charles B	The Troy Savings Bank	Second Vice-President	January 8, 1903
Meyer, Frederick	Irving Savings Institution	Vice-President	January 18, 1903
Searles, James H.	Rome Savings Bank	Trustee	February 1, 1903
Searles, Hamilton R.	East River Savings Bank	Vice-President	February 6, 1903
Arnold, Hicks	The Bowery Savings Bank	Trustee	February 9, 1903
Trimble, Merritt	The Bank of Savings	President	February 11, 1903
Thompson, William A.	The Troy Savings Bank	Second Vice-President	February 15, 1903
Brewer, Thomas	Union Savings Bank of Westchester County	Vice-President	February 26, 1903
Foster, David C.	Poughkeepsie Savings Bank	Trustee	February 28, 1903
Bogert, Albert G.	Irving Savings Institution	Trustee	March, 1903
Hiller, Jonathan	Cohoes Savings Bank	Secretary	March 28, 1903
Van Antwerp, William M.	Albany Savings Bank	Trustee	April 8, 1903
Kurth, Augustus	Germania Savings Bank	Vice-President	April 11, 1903
Sterling, William S.	The Home Savings Bank of White Plains	Trustee	April 14, 1903
Ogden, William L.	Warwick Savings Bank	Vice-President	April 17, 1903
Hoyt, Charles A.	Brooklyn Savings Bank	Trustee	April 18, 1903
Young, Rockwell	The Home Savings Bank of White Plains	Trustee	April 20, 1903
Cavagnaro, John	West Side Savings Bank	Second Vice-President	April 21, 1903
Friedman, Christian	Germania Savings Bank	Trustee	April 21, 1903
O'Reilly, Cornelius	United States Savings Bank	Trustee	April 29, 1903
Higgins, J. D.	Oneida County Savings Bank	Trustee	May 4, 1903
Allen, Oliver	Mechanics' Savings Bank of Rochester	Trustee	May 4, 1903
Pratt, John W.	Fulton Savings Bank	Trustee	May 11, 1903

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Hart, L. Homer	Harlem Savings Bank	Secretary	May 21, 1903
Sprague, Nathan T.	The City Savings Bank of Brooklyn	Trustee	March 23, 1903
Cooper, Charles W.	The Williamsburgh Savings Bank	Trustee	May 26, 1903
Voorhees, Edward M.	The New York Savings Bank	Vice-President	May 30, 1903
Hoyt, Alfred Miller	The Bank for Savings	Trustee	June 18, 1903
Wells, John C.	Fulton Savings Bank	Trustee	June 22, 1903
Colnon, Aaron	Oswego Savings Bank	Trustee	July 15, 1903
Griffin, Edward P.	Broadway Savings Institution	Trustee	July 18, 1903
Armstrong, A. W.	Wappinger Savings Bank	Trustee	July 20, 1903
Patterson, Samuel P.	Dry Dock Savings Institution	Vice-President	August 6, 1903
Peters, Nicholas	Syracuse Savings Bank	Second Vice-President	August 16, 1903
Hicks, George E.	The Bowery Savings Bank	Trustee	August 22, 1903
Wiltse, Alonzo S.	Mechanics' Savings Bank, Fishkill	Trustee	August 27, 1903
Oothout, Edward	The Greenwich Savings Bank	Trustee	August 30, 1903
Pirsson, John W.	Citizens' Savings Bank	Counsel	September 7, 1903
Geoghegan, Stephen J.	Union Dime Savings Institution	Trustee	September 7, 1903
Britt, David F.	Union Savings Bank of Westchester County	Trustee	September 16, 1903
Livingston, S. Otis	United States Savings Bank	Trustee	September 23, 1903
Henderson, Washington T.	Oswego County Savings Bank	Vice-President	October 2, 1903
Lamb, William	The Williamsburgh Savings Bank	Trustee	October 3, 1903
Clark, William E.	Citizens' Savings Bank	Vice-President	October 5, 1903
Loughran, John	Kings County Institution	Trustee	October 6, 1903
Waterbury, James E.	Warwick Savings Bank	Trustee	October 6, 1903
Wilson, John	The Greenwich Savings Bank	Second Vice-President	October 13, 1903
Dauchy, Henry B.	The Troy Savings Bank	Trustee	November 8, 1903
Tooker, Charles B.	Harlem Savings Institution	President	November 26, 1903
Woolston, John D. F.	Cortland Savings Bank	Trustee	December 17, 1903
Coudert, Frederic R.	Emigrant Industrial Savings Bank	Trustee	December 20, 1903
Ahlman, Otto	Richmond County Savings Bank	Trustee	December 30, 1903
Schoonmaker, John	Newburgh Savings Bank	Vice-President	January 1, 1904

Butler, William A	Union Dime Savings Institution	Trustee	January 7, 1904
White, Joseph B	Union Dime Savings Institution	Trustee	January 15, 1904
Dean, James E	The Dime Savings Bank of Brooklyn	Second Vice-President	January 22, 1904
Hazzard, William H	The City Savings Bank of Brooklyn	Trustee	January 25, 1904
Hoagland, Hudson	Broadway Savings Institution	Trustee	January 30, 1904
Hoag, Philip	Pawling Savings Bank	Vice-President	February, 1904
Townsend, Edward M	Institution for Savings, Merchants' Clerks	Vice-President	February 2, 1904
Upham, Addison L	Jefferson County Savings Bank	Trustee	February 9, 1904
Wyckoff, Ernest L	The Elmira Savings Bank	Treasurer	March 3, 1904
Brackett, James	Rochester Savings Bank	President	March 7, 1904
Mills, Samuel C	Newburgh Savings Bank	Vice-President	March 15, 1904
Pfaff, Frederick	German Savings Bank, City of New York	Comptroller	March 16, 1904
Francolini, Pasquale	Italian Savings Bank	Trustee	March 16, 1904
Van Buren, William J	Kingston Savings Bank	Trustee	March 23, 1904
Deyo, Solomon	New Paltz Savings Bank	President	March 31, 1904
Horwill, William E	The Williamsburgh Savings Bank	Vice-President	April 3, 1904
Baldwin, Octavius D	The Bowery Savings Bank	Trustee	April 4, 1904
Anderson, Henry S	South Brooklyn Savings Institution	Treasurer	April 7, 1904
Raynor, George C	Sag Harbor Savings Bank	Trustee	April 19, 1904
Newell, Edward A	North River Savings Bank	Trustee	April 20, 1904
Purdy, Samuel G	Union Savings Bank of Westchester County	Vice-President	April 27, 1904
Martin, Henry F	Albany Savings Bank	Trustee	May 16, 1904
Dimon, Theodore D	Sag Harbor Savings Bank	Trustee	June 1, 1904
Scully, John S	West Side Savings Bank	Vice-President	June 19, 1904
Brown, Edward W	Portchester Savings Bank	Trustee	June 20, 1904
Rogers, Henry A	Bowery Savings Bank	Trustee	June 25, 1904
Tiebout, John	Dry Dock Savings Institution	Trustee	June 27, 1904
Dickerson, John S	The Greenwich Savings Bank	Trustee	July 4, 1904
Alexander, James B	The Schenectady Savings Bank	Trustee	July 8, 1904
Clark, Charles F	The Greenwich Savings Bank	Trustee	September 3, 1904
McCarthy, John C	Emigrant Industrial Savings Bank	Vice-President	September 26, 1904
Hodge, George F	Oneida County Savings Bank	Trustee	October 4, 1904
Thatcher, George A	Amsterdam Savings Bank	Secretary	October 4, 1904

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Perkins, Benjamin	Manhattan Savings Institution	Trustee	October 10, 1904
Brinckerhoff, William E.	Mechanics' Savings Bank, Fishkill Landing	Trustee	October 15, 1904
Baldwin, D. W.	Jefferson County Savings Bank	Trustee	October 19, 1904
Duff, Michael	Harlem Savings Bank	Vice-President	October 28, 1904
Barker, Justin L.	Cayuga County Savings Bank	Trustee	November 10, 1904
Allison, Henry E.	Mechanics' Savings Bank, Fishkill Landing	Trustee	November 12, 1904
Green, Lyman R.	Brooklyn Savings Bank	Trustee	November 13, 1904
Platt, Isaac S.	Bowery Savings Bank	Trustee	November 15, 1904
Wolfe, Lewis	Hudson City Savings Institution	Trustee	November 19, 1904
Bloomingdale, Joseph E.	United States Savings Bank	Vice-President	November 21, 1904
Smith, Theodore F.	Queens County Savings Bank	Trustee	December 20, 1904
Power, George H.	Hudson City Savings Institution	Vice-President	December 20, 1904
Schlick, Adolph F.	The East Side Savings Bank of Rochester	Trustee	December 28, 1904
Mollenhauer, John	The Dime Savings Bank of Williamsburgh	Trustee	December 31, 1904
Bishop, George S.	German Savings Bank of Brooklyn	Cashier	January 4, 1905
Blackford, Eugene G.	The City Savings Bank of Brooklyn	Trustee	January 5, 1905
Parsons, Charles H.	South Brooklyn Savings Institution	Trustee	January 5, 1905
Duckworth, Wm. H.	Irving Savings Institution	Vice-President	January 11, 1905
Anderson, John F.	South Brooklyn Savings Institution	Trustee	January 19, 1905
Reavy, Frank C.	Cohoes Savings Institution	Trustee	January 30, 1905
Howlett, Alfred A.	Syracuse Savings Bank	Trustee	January 31, 1905
Defever, Jacob	New Paltz Savings Bank	Vice-President	February 4, 1905
Nickerson, Herbert F.	Sag Harbor Savings Bank	Treasurer	February 5, 1905
Parsons, Wm. H.	Bowery Savings Bank	Trustee	February 17, 1905
Cook, Frederick	Rochester Savings Bank	Vice-President	February 17, 1905
Hollingsworth, Henry S.	German Savings Bank of Brooklyn	Vice-President	March 11, 1905
McAdam, George G.	The Rome Savings Bank	Trustee	March 13, 1905
Wadsworth, David	Auburn Savings Bank	Trustee	March 14, 1905
Noone, Luke	Kingston Savings Bank	President	March 18, 1905
Travers, Francis C.	The Franklin Savings Bank	Trustee	March 18, 1905

Wisner, James	Warwick Savings Bank	Trustee	March 23, 1905
Pomeroy, Theodore M	Cayuga County Savings Bank	Trustee	March 23, 1905
Tracey, Charles	Albany Savings Bank	Trustee	March 24, 1905
Wilkinson, John G	Newburgh Savings Bank	Trustee	March 29, 1905
Owens, Richard J	East Brooklyn Savings Bank	Trustee	April 1, 1905
Robinson, Henry C	Dry Dock Savings Institution	Trustee	April 3, 1905
Leutchford, Arthur	The Mechanics' Savings Bank of Rochester	Treasurer	April 12, 1905
Owens, Owen E	Oneida County Savings Bank	President	April 13, 1905
Page, Alanson S	Oswego County Savings Bank	Trustee	April 14, 1905
Palmer, John	Albany City Savings Institution	Trustee	April 15, 1905
DeWitt, Byron	Oswego City Savings Bank	President	April 18, 1905
Hadden, Jr., Crowell	South Brooklyn Savings Institution	Trustee	May 13, 1905
GaNun, Starr	Putnam County Savings Bank	Vice-President	May 31, 1905
Miller, Samuel C.	The Home Savings Bank, White Plains	Trustee	June 2, 1905
Wood, Rufus	The New York Savings Bank	Vice-President	June 23, 1905
Castree, John W	Irving Savings Institution	Trustee	July 28, 1905
Townsend, Theodore	Albany Savings Bank	Treasurer	August 3, 1905
Mills, S. McDonald	Newburgh Savings Bank	Trustee	August 3, 1905
Currier, George C	Excelsior Savings Bank	Trustee	August 12, 1905
Willis, William J	Roylston Savings Bank	Trustee	August 19, 1905
Thomas, Hugh M	Long Island City Savings Bank	Vice-President	August 24, 1905
Clarkson, George C	Monroe County Savings Bank	Trustee	August 26, 1905
Reutter, Robert	German Savings Bank	Trustee	August 27, 1905
Wilson, Washington	The Bowery Savings Bank	Trustee	September 3, 1905
Walcott, W. Stuart	The Savings Bank of Utica	Vice-President	September 4, 1905
Osborn, Richard T	Pawling Savings Bank	Trustee	September 15, 1905
Lathrop, Joseph B	Oswego County Savings Bank	President	September 23, 1905
Jenkins, Charles S	Newburgh Savings Bank	Trustee	September 27, 1905
Stanton, William	Mechanics' Savings Bank, Cohoes	President	September 29, 1905
Spencer, Harvey D	Rome Savings Bank	Trustee	October 2, 1905
Butler, Charles H	Oswego City Savings Bank	Trustee	October 8, 1905
Barnard, Charles F	Rome Savings Bank	Secretary	October 27, 1905
Byrne, John	Emigrant Industrial Savings Bank	Trustee	October 31, 1905

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Stockwell, L. W.	East Brooklyn Savings Bank	Trustee	November, 1905
Hedges, Charles S.	Sag Harbor Savings Bank	Trustee	November 9, 1905
Westerbrook, James	Richmond County Savings Bank	President	November 15, 1905
Hubbard, Charles	Syracuse Savings Bank	Vice-President	November 22, 1905
Jones, Richmond	Syracuse Savings Bank	Trustee	December 1, 1905
Hengerer, William	The Western Savings Bank	Trustee	December 3, 1905
Geckler, Henry	The Dime Savings Bank of Williamsburgh	Secretary	December 3, 1905
Corwin, John Robert	Riverhead Savings Bank	Trustee	December 5, 1905
Wardwell, Samuel	Rome Savings Bank	Trustee	December 10, 1905
Stone, Benjamin S.	Oswego County Savings Bank	Trustee	December 11, 1905
Fitch, J. Shepard	Oswego City Savings Bank	Vice-President	December 12, 1905
Sanford, Sidney H.	Warwick Savings Bank	Trustee	December 12, 1905
Stevens, Charles E.	Oneida Savings Bank	Trustee	December 21, 1906
Jones, Israel C.	Harlem Savings Bank	Trustee	January 6, 1906
Ward, Alson	Poughkeepsie Savings Bank	Trustee	January 6, 1906
Hasbrouck, Louis	New Paltz Savings Bank	Trustee	January 10, 1906
Wieber, Henry E.	Rondout Savings Bank	Trustee	January 15, 1906
Simpson, James	The Greater New York Savings Bank	Trustee	January 17, 1906
Hawkins, Simeon S.	Riverhead Savings Bank	President	January 22, 1906
Culver, Marvin A.	Monroe County Savings Bank	Trustee	January 23, 1906
Fancher, Charles H.	Irving Savings Institution	Treasurer	January 28, 1906
Hughson, Frederick	The New York Savings Bank	Trustee	February 1, 1906
Greiner, Charles	Erie County Savings Bank	Trustee	February 12, 1906
Barker, Alden F.	Jefferson County Savings Bank	Trustee	February 27, 1906
Ratigan, John	Oswego City Savings Bank	Trustee	March 7, 1906
Burrows, Chester D.	Bushwick Savings Bank	Secretary	March 13, 1906
Jordan, Warren	Peekskill Savings Bank	Vice-President	March 16, 1905
Day, George W.	Oneida County Savings Bank	Trustee	March 30, 1906
Breslin, James H.	Excelsior Savings Bank	Vice-President	March 31, 1906
Rumsey, Dexter P.	Erie County Savings Bank	Trustee	April 5, 1906

Ten Eyck, Leonard G.	Albany Savings Bank	Trustee	April 8, 1906
Davies, John	Bushwick Saving Bank	President	May 1, 1906
Craig, Horatio G.	The Dime Savings Bank of Williamsburgh	Trustee	May 11, 1906
Deyo, Jonathan	New Paltz Savings Bank	Second Vice-President	May 11, 1906
Lansing, Joseph A.	Albany Exchange Savings Bank	Trustee	May 11, 1906
Cobb, Raffaelle	Yonkers Savings Bank	Cashier	May 24, 1906
McDowell, Thomas	Niagara County Savings Bank	Trustee	May 27, 1906
Brown, William	Mechanics' Savings Bank, Fishkill Landing	Vice-President	June 9, 1906
Drew, William H.	Manhattan Savings Bank	Trustee	July 5, 1906
Pruyn, Charles L.	Albany Savings Bank	Trustee	July 7, 1906
Earl, John W.	East New York Savings Bank	Trustee	July 10, 1906
Hutchins, Alex	East Brooklyn Savings Bank	Secretary	July 30, 1906
Wentz, James M.	Newburgh Savings Bank	President	August 3, 1906
Coggshall, Walter	Bowery Savings Bank	Secretary	August 3, 1906
Foster, Thomas E.	Home Savings Bank, White Plains	Trustee	August 5, 1906
Bacon, Charles G	Fulton Savings Bank	Trustee	August 18, 1906
Greenleaf, Halbert S.	Rochester Savings Bank	Trustee	August 25, 1906
Keyes, Jerome	Mechanics' Savings Bank	Trustee	August 31, 1906
Loucks, Hazelius	Oneida Savings Bank	Trustee	September 1, 1906
Wright, Alfred P.	Erie County Savings Bank	Trustee	September 1, 1906
Sturges, William C.	Seamen's Bank for Savings	President	September 15, 1906
Staples, A. G.	Rondout Savings Bank	President	September 17, 1906
Hicks, Benjamin D.	Roslyn Savings Bank	President	September 19, 1906
Selkreg, John H.	Ithaca Savings Bank	Vice-President	October 6, 1906
Dyett, James S.	Rome Savings Bank	Trustee	October 11, 1906
Delehanty, Michael	Albany Exchange Savings Bank	Trustee	October 26, 1906
Van Derveer, Theodore B.	Amsterdam Savings Bank	Trustee	October 28, 1906
Clute, John	Mechanics' Savings Bank of Cohoes	Trustee	October 29, 1906
Senior, James R.	Harlem Savings Bank	Trustee	November 6, 1906
Fleitmann, Ewald	German Savings Bank, New York City	Vice-President	November 12, 1906
Shove, Levi A.	Putnam County Savings Bank	Trustee	November 22, 1906
Corwin, Jason W.	Goshen Savings Bank	President	November 23, 1906
Perkins, John W	Riverhead Savings Bank	Trustee	November 23, 1906

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Ellwanger, George	Monroe County Savings Bank	Trustee	November 26, 1906
Weed, James B	Binghamton Savings Bank	Vice-President	November 29, 1906
Murray, Anthony B	Sing Sing Savings Bank	Trustee	December, 1906
Rhoades, John Harsen	Greenwich Savings Bank	President	December 6, 1906
Vermilyea, Le Roy	Mechanics' Savings Bank of Cohoes	Secretary	December 15, 1906
Read, Leander	Yonkers Savings Bank	Secretary	December 16, 1906
Dawson, Edward S	Onondaga County Savings Bank	President	December 18, 1906
Smith, William W	Bank for Savings	President	December 28, 1906
Mix, James	Albany County Savings Bank	Trustee	January 3, 1907
Cook, Charles T	Bowery Savings Bank	Trustee	January 26, 1907
Harris, Isaac	City Savings Bank	Trustee	February 1, 1907
Squires, Norman B	Troy Savings Bank	Trustee	February 5, 1907
Lobdell, Alexander F	Putnam County Savings Bank	Secretary	February 10, 1907
McKinney, James	Albany Exchange Savings Bank	Vice-President	February 10, 1907
Finch, Richard L. H	Richmond County Savings Bank	Trustee	February 11, 1907
Dudley, Joseph P	Erie County Savings Bank	Trustee	February 14, 1907
Whitney, Solon M. N	Niagara County Savings Bank	Trustee	February 19, 1907
Bevier, B. R	Ellenville Savings Bank	Trustee	February 22, 1907
McCarty, James C	Rhinebeck Savings Bank	Trustee	March 12, 1907
Lee, James H	Erie County Savings Bank	Vice-President	March 4, 1907
Van Voast, Albert	Schenectady Savings Bank	Vice-President	March 4, 1907
Wells, William A	Bushwick Savings Bank	Trustee	March 4, 1907
Wilkinson, William H	Binghamton Savings Bank	President	March 5, 1907
Furnald, Francis P	Broadway Savings Institution	Trustee	March 11, 1907
Holley, Edmund	Hudson City Savings Institution	President	March 19, 1907
Cumming, Peter	Broadway Savings Institution		April 22, 1907
Wanzer, Jediah I	Pawling Savings Bank	President	April 26, 1907
Andrus, Frederick K	Ithaca Savings Bank	Trustee	April 29, 1907
Applegate, Joseph	Dime Savings Bank of Williamsburgh	Trustee	May 6, 1907
Coles, Barak G	Citizens' Savings Bank	Vice-President	May 9, 1907

Cooke, Abraham	Williamsburgh Savings Bank	Vice-President	May 10, 1907
Gould, Marquis D	Queens County Savings Bank	Trustee	June 1, 1907
Zentgray, Charles F	Staten Island Savings Bank	President	June 7, 1907
Clark, Charles P	Syracuse Savings Bank	President	June 15, 1907
Broadhead, John	Ulster County Savings Institution	Assistant Treasurer	June 16, 1907
Turner, Archibald	The Franklin Savings Bank	President	June 18, 1907
White, Francis T	Bowery Savings Bank	Trustee	June 24, 1907
Baxter, Allen H.	Roslyn Savings Bank	Trustee	June 25, 1907
Peirce, Charles P	Harlem Savings Bank	Trustee	July 3, 1907
Smith, George C	Mechanics' Savings Bank	Trustee	July 19, 1907
Traver, John A	Rhinebeck Savings Bank	Trustee	August, 1907
Mott, Frank P	Dollar Savings Bank	Trustee	August 22, 1907
Huntington, William R	Rome Savings Bank	President	September 10, 1907
Purdy, Richard L	Bank for Savings	Accountant	September 25, 1907
Fenner, George A	Jefferson County Savings Bank	Trustee	October, 1907
Brown, George B	Empire City Savings Bank	Vice-President	October 1, 1907
Henderson, Charles R	Bowery Savings Bank	Trustee	October 27, 1907
Van Wormer, Jasper	Albany County Savings Bank	President	November 4, 1907
Du Bois, A. P	Ellenville Savings Bank	Trustee	November 16, 1907
Loew, Edward V	American Savings Bank	President	November 10, 1907
Barney, Charles T	Bank for Savings	Trustee	November 15, 1907
Holmes, Henry A	Pawling Savings Bank	Treasurer	December 3, 1907
Gillette, George L	College Point Savings Bank	President	December 10, 1907
Wood, William H. S	Bowery Savings Bank	President	December 11, 1907
Smith, Granville B	American Savings Bank	Secretary	December, 1907
Conway, Martin D	Albany Exchange Savings Bank	Trustee	December 19, 1907
Hicks, John D	Bowery Savings Bank	Trustee	December 20, 1907
Warner, William H	Onondaga County Savings Bank	Vice-President	December 25, 1907
Brunn, Julius W	German Savings Bank, City of New York	Trustee	December 30, 1907
Egleston, David S	Seamen's Bank for Savings	Trustee	January 1, 1908
Hays, Alfred K	Walden Savings Bank	Trustee	January 1, 1908
Wisner, Richard	Warwick Savings Bank	Trustee	January 3, 1908
Bailey, Edwin	Union Savings Bank of Patchogue	Trustee	January 11, 1908

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Cornell, Franklin C	Ithaca Savings Bank	Trustee	January 22, 1908
Miller, Abram J	Putnam County Savings Bank	Trustee	January 24, 1908
Morse, David R	Erie County Savings Bank	President	January 27, 1908
Smith, David Cady	Schenectady Savings Bank	Trustee	January 29, 1908
Busby, Leonard J	City Savings Bank of Brooklyn	Trustee	February, 1908
Stanton, George A	Brooklyn Savings Bank	Trustee	February 17, 1908
Chichester, Charles F	Union Square Savings Bank	Trustee	February 20, 1908
Dickinson, Edwin D	Syracuse Savings Bank	Trustee	March 3, 1908
Holly, James H	Warwick Savings Bank	President	March 3, 1908
Sly, William J	Warwick Savings Bank	Trustee	March 12, 1908
Good, John	Emigrant Industrial Savings Bank	Trustee	March 23, 1908
Smith, Samuel W	Ellenville Savings Bank	Trustee	March 25, 1908
Peterson, Samuel A	Troy Savings Bank	Trustee	March 29, 1908
Furman, Nicholas L	Warwick Savings Bank	First Vice-President	April 2, 1908
Hill, Ambrose W	Oneida Savings Bank	Secretary and Treasurer	April 2, 1908
Radley, Ignatius	The Franklin Savings Bank	Secretary	April 6, 1908
Krom, John B	New Paltz Savings Bank	Trustee	April 7, 1908
Crane, John	Emigrant Industrial Savings Bank	Trustee	April 8, 1908
Roemmele, Frederick	German Savings Bank of Brooklyn	Trustee	April 17, 1908
Ettenheimer, Elias S	Monroe County Savings Bank	Trustee	April 20, 1908
Avery, Edward H	Cayuga County Savings Bank	Trustee	May 5, 1908
McEwan, Walter	The Home Savings Bank, City of Albany	Secretary and Trustee	May 10, 1908
Warhurst, George Sr	Wappinger Savings Bank	Trustee	May 16, 1908
Hammond, Fremont	Union Savings Bank of Patchogue	President	May 18, 1908
Fay, Sigourney W	Citizens' Savings Bank	Trustee	June 1, 1908
Hawkins, Edward	Riverhead Savings Bank	Trustee	June 10, 1908
Stewart, Horatio S	City Savings Bank of Brooklyn	Trustee	July 11, 1908
Foster, James	City Savings Bank of Brooklyn	Trustee	July 26, 1908
Post, William	Roslyn Savings Bank, Brooklyn	Trustee	July 30, 1908
Crawford, Thomas	Harlem Savings Bank	Vice-President	August 8, 1908

Meserole, Jeremiah V.	The Williamsburgh Savings Bank	President	August 13, 1908
Atkinson, Hobart F	Rochester Savings Bank	President	August 14, 1908
Hildreth, John M	Sag Harbor Savings Bank	Trustee	August 14, 1908
Hamilton, Thomas L	Excelsior Savings Bank	Trustee	August 21, 1908
Newins, J. Henry	Riverhead Savings Bank	Trustee	September 2, 1908
Ryan, Michael.	Niagara County Savings Bank	Trustee	September 29, 1908
Hayward, Edwin S.	East Side Savings Bank	Trustee	October 1, 1908
Webber, Richard	Harlem Savings Bank	Trustee	October 7, 1908
Todd, Gilbert M.	Bank for Savings Ossining	First Vice-President	October 7, 1908
Stockwell, George P.	South Brooklyn Savings Institution	ChairmanExecutiveCommittee	October 20, 1908
McLaughlin, Joseph H	The Union Savings Bank, Westchester Co.	Vice-President	October 29, 1908
Kelly, Hugh	Emigrant Industrial Savings Bank	Trustee	October 30, 1908
Van Siclen, William H.	Queens County Savings Bank	Trustee	October 15, 1908
Payne, Alvin J	Long Island City Savings Bank	Attorney	November 9, 1908
James, Darwin R	East Brooklyn Savings Bank	Trustee	November 19, 1908
Jackson, William H	The New York Savings Bank	First Vice-Pres. and Trustee	November 24, 1908
Lethbridge, Robert P.	Citizens' Savings Bank	Trustee	December 1, 1908
Berry, Hiram B.	Warwick Savings Bank	Trustee	December 26, 1908
Brewer Nicholas	Union Dime Savings Bank	Trustee	December 27, 1908
Hoople, William Gordon	East River Savings Institution	Trustee	December 28, 1908
Maclay, Isaac W.	People's Savings Bank, Yonkers, N. Y	Trustee	December 30, 1908
Townsend, Edward H	Auburn Savings Bank	Treasurer	January 4, 1909
Smith, Wesley	Southold Savings Bank	Trustee	January 15, 1909
Barnes, Samuel J	Home Savings Bank, White Plains	Trustee	January 17, 1909
Paladini, Ermenegildo	Italian Savings Bank	Trustee	January 18, 1909
Atkins, Thomas J	East Brooklyn Savings Bank	President	January 19, 1909
Kavanaugh, Luke	Mechanics' Savings Bank, Cohoes	2d Vice-President and Trustee.	January 24, 1909
Wardwell, N. P.	Jefferson County Savings Bank	First Vice-President	January 28, 1909
Van Allen, Garret A	National Savings Bank, Albany	Vice-President	January 28, 1909
Tracy, Osgood V	Onondaga County Savings Bank	Trustee	January 31, 1909
Dutcher, Silas B	Union Dime Savings Bank	Trustee	February 10, 1909
Ketcham, Gilbert H	Riverhead Savings Bank	President	February 13, 1909
Lehrenkrauss, Julius	Germania Savings Bank	Treasurer and Trustee	February 18, 1909

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
King, William F	Bowery Savings Bank	Trustee	February 19, 1909
Miller, James R	Jefferson County Savings Bank	President	February 23, 1909
Brett, James T	Mechanics' Savings Bank, Fishkill	Trustee	March 11, 1909
Jewell, Thomas A	Greenburgh Savings Bank	1st Vice-President and Trustee.	March 18, 1909
Fishel, Jonas	Riverhead Savings Bank	Vice-President	March 19, 1909
Worts, Mannister	Oswego County Savings Bank	Trustee	March 21, 1909
Darrow, Erastus	The East Side Savings Bank of Rochester	Trustee	March 21, 1909
Lewis, George	Queens County Savings Bank	Trustee	March 24, 1909
Collier, Casper P	Hudson City Savings Institution	First Vice-President	April 4, 1909
Mapelsden, Reuben	Harlem Savings Bank	Trustee	April 6. 1909
Nelson, Henry C	Bank for Savings, Ossining	Trustee	April 17, 1909
Perry, Timothy	Greenpoint Savings Bank	President	April 19, 1909
Davy, John M	East Side Savings Bank, Rochester	Trustee	April 21, 1909
Doughty, William Howard	The Troy Savings Bank	Second Vice-President	April 23, 1909
Ranhalt, Stephen M	East Brooklyn Savings Bank	Trustee	May 2, 1909
Turnbull, George R	The South Brooklyn Savings Institution	Trustee	May 13, 1909
Jones, Andrew B	Albany County Bank	Trustee	May 29, 1909
Hotaling, Lansing	Albany County Bank	Trustee	July 22, 1909
Gaus, Charles H	Albany Exchange Bank	Second Vice-President	October 30, 1909
Brown, John Crosby	Bank for Savings, New York	Trustee	June 25, 1909
Erhardt, Joel B	Bowery, New York	Trustee	September 8, 1909
Montant, Auguste P		Trustee	November 25, 1909
Griffen, Charles		Trustee	February 28, 1910
Cochrane, John W		Trustee	March 9, 1910
Jones, Addison P	Catskill, Catskill	Trustee	May 5, 1910
Stemme, John	Citizens', New York	Trustee	January 10, 1910
McDermott, Martin	Cohoes, Cohoes	Trustee	February 24, 1910
Wright, Robert J	Dry Dock, New York	Trustee	July 3, 1909
Myers, Brinkerhoff	East River, New York	First Vice-President	April 12, 1910
Matthews, Michael	Ellenville, Ellenville	Trustee	April 21, 1910

McGovern, James	Emigrant, New York	Trustee	November 6, 1909
Hoguet, Robert J		Trustee	October 9, 1909
Hitchcock, Welcome G	Franklin, New York	Trustee	July 20, 1909
Naeher, Charles	German, Brooklyn	President	September 13, 1909
Fisher, George H		Secretary	February 6, 1910
der Ernde, Roan	German, New York	Trustee	June 1, 1909
Vietor, George F		Trustee	January 29, 1910
Kenny, Levi	Ithaca, Ithaca	Trustee	March 2, 1910
Waddingham, Fred	Jefferson County, Watertown	Trustee	August 3, 1909
Brennen, John H	Kings County, Brooklyn	Trustee	March 28, 1910
Burhans, Charles	Kingston, Kingston	Treasurer	October 15, 1909
Schell, Edward H	Manhattan, New York	Trustee	January 25, 1910
Fitts, George H	Mechanics', Cohoes	First Vice-President	December 17, 1909
Brinckerhoff, Theodore	Mechanics', Fishkill Landing	Trustee	September 4, 1909
Curtis, Eugene T	Monroe County, Rochester	Trustee	May 7, 1910
Van Antwerp, Daniel L	National, Albany	Trustee	April 17, 1910
Webber, John	New York, New York	Trustee	June 15, 1909
Carpenter, Henry C	Queens County, Flushing	Cashier	October 25, 1909
Simonson, David F	Richmond County, Brighton, S. I.	Trustee	September 16, 1909
Wells, J. Edward	Riverhead, Riverhead	Trustee	October, 1909
Harrison, John J	Sag Harbor, Sag Harbor	Second Vice-President	April 16, 1910
Moore, W. H. H	Seamen's, New York	Trustee	January 4, 1910
Tillinghast, Charles W	Troy, Troy	First Vice-President	April 27, 1910
Smith, Caleb T	Union, Patchogue	Trustee	December 18, 1909
Wyckoff, Peter	Williamsburgh, Brooklyn	Trustee	February 9, 1910
Pauly, Frederick G	College Point, College Point	Trustee	June 14, 1909
Willets, Edward	Roslyn, Roslyn	Trustee	November 19, 1909
Van Rensselaer, Wm. Bayard	Albany, Albany	President	September 25, 1909
Hayes, Uzal T	Middletown, Middletown	First Vice-President	March 4, 1910
Chappell, C. Will	Oneida, Oneida	President	July 18, 1909
Klock, Henry S		Trustee	April 23, 1910
Meyer, Howard	Ulster County, Kingston	Trustee	September 7, 1909
Freer, Emery		Trustee	December 8, 1909

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Cabble, Jos. C.	Bushwick, Brooklyn	Second Vice-President	June 14, 1909
May, Moses		First Vice-President	January 9, 1910
Auchincloss, Edgar S.	Greenwich, New York	Trustee	May 4, 1910
Brooks, Charles B.	Elmira, Elmira	Secretary	April 28, 1910
Wasson, James D.	Albany	Second Vice-President	March 26, 1912
Mead, Frederic A.	Albany Exchange	President	December 4, 1911
Herrick, George I.	Amsterdam	Second Vice-President	December 20, 1911
Rossiter, Edward V. W.	Bowery, N. Y	Trustee	December 11, 1910
Merritt, Edward	Brooklyn, Brooklyn	Trustee	February 11, 1911
Bunce, Edward E.	Bushwick, Brooklyn	Trustee	June 12, 1910
Ingraham, H. C. M.	Dime, Brooklyn	Trustee	February 15, 1911
Hicks, Isaac	Dime of Williamsburgh, Brooklyn	Trustee	February 11, 1911
Haffen, John	Dollar, New York	President	September 25, 1910
Beasley, Lester W.	East Side, Brooklyn	President	February 9, 1911
Locke, Wm. A.	Eastern District, Brooklyn	Cashier	April 7, 1911
Wemmell, A. A.	East New York, Brooklyn	Trustee	February 14, 1911
Armstrong, Chas. P.	East River, N. Y.	Trustee	June 27, 1910
O'Brien, Miles M.			December 22, 1910
Watson, Henry M.	Erie Co., Buffalo	Second Vice-President	April 21, 1911
Wilson, Benj. W.	German, Brooklyn	Trustee	August 13, 1910
Zechiel, Wm.		Trustee	January 4, 1911
Zoebisch, Chas. A.	German, N. Y.	Second Vice-President	May 13, 1911
Amthor, Gustav F.		Treasurer	July 22, 1910
Schabbehar, Geo. E.	Greenburgh, Dobbs Ferry	Trustee	April 27, 1911
Wardwell, Wm. T.	Greenwich, N. Y.	Trustee	January 3, 1911
Higginson, James J.		Trustee	January 5, 1911
Robb, J. Hampden.		Trustee	January 21, 1911
McLean, John S.		Trustee	March 26, 1911
Gareiss, Augustus	Harlem, N. Y.	Trustee	April 15, 1911
Gillette, John E.	Hudson City, Hudson	Second Vice-President	March 10, 1911

Washburn, Frank		Trustee	June 20,	1910
Jackson, Wm. H.	Matteawan, Matteawan	Vice-President	March 18,	1911
Weldon, George	Mechanics', Rochester	Trustee	October 22,	1910
Van Wagenen, Nathan	New Paltz, New Paltz	Trustee	November 26,	1910
Styles, Samuel D.	North River, N. Y.	President	July 2,	1910
Baldwin, Joseph C.		Trustee	October 1,	1910
De Peyster, Henry		Trustee	May 6,	1910
Horton, Wallace N.	National, Albany	Second Vice-President	June 17,	1911
Barry, John J.	North Side, N. Y.	President	August 24,	1911
Roberts, Thomas D.	Oneida Co., Rome	First Vice-President	March 2,	1910
Howlett, Frank C.	Onondaga Co., Syracuse	Trustee	August 5,	1910
Newell, Chas. S.	Oswego City, Oswego	Trustee	February 19,	1911
Stark, Cyrus	Pawling, Pawling	Second Vice-President	October 15,	1910
Condon, Richard L.	People's, Yonkers	Trustee	November 7,	1910
Elsworth, Edward	Poughkeepsie, Poughkeepsie	President	February 2,	1911
Cornwell, George		Vice-President	September 27,	1910
Carpenter, Henry	Queens Co., Flushing	Vice-President	April 24,	1911
Griffin, Frank H.		Trustee	March 5,	1911
Miller, Henry E.	Rhinebeck, Rhinebeck	Trustee	December 27,	1910
Potts, Peter F.		Trustee	May 24,	1910
Terry, Henry P.	Riverhead, Riverhead	Trustee	December 5,	1910
Hiltebrant, Conrad	Rondout, Kingston	Trustee	November 15,	1910
Titus, George B.	Roslyn, Roslyn	Trustee	February 23,	1911
Crane, Wm. N.	Seamen's, N. Y.	Trustee	September 14,	1910
Turner, Newell	Skaneateles, Skaneateles	First Vice-President	November 13,	1910
Osborn, Geo. T.	Union, Patchogue	Trustee	October 12,	1910
Stoddard, Geo. W.	Walden, Walden	President	July 14,	1909
Senior, Wm. H.		Trustee	January 24,	1911
Van Wyck, Henry M.	Wappinger, Wappinger Falls	Trustee	January 27,	1911
Cook, Stephen G.	West Side, New York	President	November 21,	1910
Kilmer, Jonas M.	Binghamton	Trustee	May 13,	1912
Cowles, David S.	Bowery, New York	Trustee	November 6,	1911
Harriman, Charles	Broadway, New York	Trustee	April 21,	1911

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Murray, Bernard C.	Bronx, New York	Trustee	January, 1912
Smith, Bryan H.	Brooklyn	President	March 27, 1912
Smith, William V. R.		Trustee	November 3, 1912
Pierrepont, Henry E.		Trustee	November 4, 1912
Batterman, Henry		Trustee	January 17, 1912
Springsteen, David	Bushwick, Brooklyn	Trustee	December 14, 1911
Dudley, John L.	Citizens', New York	Vice-President	August 19, 1911
Wood, Thomas H.		Trustee	December 9, 1911
Clarke, Samuel A.	Cohoes	Trustee	February 9, 1912
Schleisinger, A. D.	College Point	Trustee	October 31, 1911
Ahrens, Hermann	Commonwealth, New York	Trustee	January 3, 1912
Johnson, DeWitt C.	Cortland	Trustee	July 13, 1911
Hollister, William H.	Dry Dock, New York	Trustee	January 2, 1912
Wadsworth, Charles H.	East New York, Brooklyn	Trustee	April 29, 1912
Waydell, John H.	East River, New York	Trustee	June 5, 1911
Watkins, George B.	East Side, Rochester	Trustee	October 24, 1911
Eaton, Clark	Ellenville	Trustee	March 8, 1912
Tillman, J. Mont	Elmira	Trustee	November 8, 1911
Timpson, Arthur T.	Empire City, New York	Secretary	March 5, 1912
Card, James Van Dyck	Franklin, New York	Trustee	January 14, 1912
Nelson, Willis S.	Fulton	Trustee	May 21, 1912
Moser, John M.	German, Brooklyn	Trustee	July 26, 1911
Dick, William		Trustee	April 5, 1912
DeWitt, George G.	Greenwich, New York	Trustee	January 12, 1912
Shackford, Charles W.	Home, Brooklyn	Trustee	April 30, 1912
Holthausen, Frederick		Trustee	May 6, 1912
Traver, William H.	Hudson City	President	July 14, 1912
Lasher, John K.	Irving, New York	First Vice-President	December 31, 1911
Storms, William J.	Ithaca	Treasurer	September 20, 1911
Hinckley, Henry L.		Trustee	January 10, 1912

Green, Theodore T.	Kings County, Brooklyn	Second Vice-President	January 1, 1912
Spaight, John W.	Mechanics', Fishkill	Trustee	December, 1911
Verplanck, Samuel			December 17, 1911
Hollister, S. G.	Mechanics', Rochester	Secretary	March 26, 1912
Carson, James B.	Middletown	Second Vice-President	December 14, 1911
Peck, Edward B	Monroe County	Trustee	October 21, 1911
Sturdevant, Oliver W.	Oneida	Trustee	February 14, 1912
Peck, Thomas B	Port Chester	President	May 15, 1912
Harris, Edward	Rochester	Trustee	September 15, 1911
Armstrong, Wheeler	Rome	First Vice-President	January 15, 1912
Winthrop, Robert D	Roslyn	Trustee	April 16, 1912
Hulbert, Henry C.	South Brooklyn	First Vice-President	April 24, 1912
Young, Charles T.		Trustee	October 21, 1911
Atwater, James C.		Trustee	November 1, 1911
Judson, Charles N		Trustee	February 14, 1912
Tuthill, Seth W.	Southold	Trustee	May 2, 1912
Sprague, Charles E.	Union Dime, New York	President	March 21, 1912
Hurlbut, Frank M	Union Square, New York	President	
Burt, Thomas	Warwick	Treasurer	June 21, 1912
McClure, David	West Side, New York	Counsel	April 30, 1912
Dodge, Leonard	Western, Buffalo	Second Vice-President	December 12, 1911
Worthington, Charles G.		Trustee	October 18, 1911
Tiebout, Cornelius H.	Williamsburgh, Brooklyn	Second Vice-President	May 18, 1911
Eylers, John	Yonkers	Trustee	April 28, 1912
Dean, Luther T.	Amsterdam	First Vice-President	December 7, 1912
Dunn, John A., Jr	Auburn	Trustee	December 2, 1912
Hoe, William A.	The Bank for Savings, New York	Third Vice-President	August 20, 1912
Hall, Chas. A.	The Brooklyn Savings Bank, Brooklyn	Trustee	February 14, 1913
Batterman, Henry	The Brooklyn Savings Bank, Brooklyn	Trustee	January 17, 1912
Eames, Francis L	The Brooklyn Savings Bank, Brooklyn	Trustee	November 10, 1912
Smith, Bryan H	The Brooklyn Savings Bank, Brooklyn	Trustee	March 27, 1912
Auchincloss, Hugh D.	The Bowery Savings Bank, N. Y.	Trustee	April 21, 1913
Mailler, Isaac P	The Bowery Savings Bank, N. Y.	Assistant Secretary	April 14, 1913

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Brewster, Walter Shaw	The Brevoort Savings Bank, Brooklyn	Trustee	March 29, 1913
Johnson, Solomon W	Broadway Savings Institution	Trustee	January 18, 1913
Liebmann, Joseph	Bushwick Savings Bank	Ex-President and Treasurer	March 26, 1913
Freeman, Ansel L	Bushwick Savings Bank	Trustee	November 15, 1912
Lamont, Wilbur F., M. D	Catskill Savings Bank	Trustee	August 1, 1912
Woodford, Gen. Stewart L	City Savings Bank, Brooklyn	Trustee	February 14, 1913
Taylor, Douglas	Citizens' Savings Bank, New York City	1st Vice-President and Trustee.	September 10, 1912
White, James	Cohoes Savings Institution	Trustee thirty-six years	April 15, 1913
Hill, Thomas A	Commonwealth Savings Bank	Trustee	December 27, 1912
Russell, Wm. H	Commonwealth Savings Bank	Trustee	January 1, 1913
Hakes, Frank P	Cortland Savings Bank	Trustee	June 13, 1912
Leech, John Eadie	The Dime Savings Bank, Brooklyn	Trustee	April 14, 1913
Shepherd, Coulson	The Dime Savings Bank, Williamsburgh	Trustee	April 12, 1913
Bannin, Michael E	Emigrant Industrial	Trustee	August 7, 1912
Barker, Frederick	The Elmira Savings Bank		March 10, 1913
Hopper, Isaac A	Empire City Savings Bank	President	December 21, 1912
McWilliams, John J	Erie County Savings Bank	Trustee	June 11, 1912
Little, Joseph J	Excelsior Saving Bank	Trustee	February 11, 1913
Wigley, Joshua W	Fulton Savings Bank	Second Vice-President	November 18, 1912
Maxwell, Joshua I	Geneva Savings Bank	Trustee	October 23, 1912
Wicke, William	German Savings Bank, New York City	Trustee	December 2, 1912
Bossert, Louis	Germania, Kings County	Trustee	January 29, 1913
Hasbrouck, Joseph	The Greenburgh	President and Trustee	October 2, 1912
Agnew, Andrew Gifford	The Greenwich	Trustee	October 6, 1912
Reed, William B	Harlem	Vice-President	June 7, 1912
Capron, John D	Home	Trustee	February 3, 1913
Kelly, James T	Home, Brooklyn	Second Vice-President	August 16, 1912
White, Patrick J	Home, Brooklyn	Trustee	February 7, 1913
Miller, Charles A	Home, Brooklyn	First Vice-President	May 15, 1913
Macy, George H.	Hudson City Savings Institution	Trustee	October 14, 1912

Marasco, Rosco M	Italian	Second Vice-President	January 15, 1913
Clare, Charles W	Jefferson County	Second Vice-President	July 28, 1912
Connelly, Henry C	Kingston	Trustee	October 8, 1912
Chase, William D	The Kings County Savings Institution, Brooklyn	Vice-President	January 6, 1913
Williams, Gabriel W	Long Island City	Trustee	February 25, 1913
McLean, George H	The Manhattan Savings Institution	Trustee	February 18, 1913
Watton, Edward A	The Manhattan Savings Institution	Trustee	March 13, 1913
Quintard, George W	The Manhattan Savings Institution	Trustee	April 2, 1913
Place, John	Mechanics'	Treasurer	July 20, 1912
Martin, Charles E	Mechanics'	Secretary	January 25, 1913
Hayes, T. Edmond	Middletown	Trustee	June 17, 1912
Hamilton, William	Monroe County	Trustee	August 1, 1912
Schmid, John	New Paltz	Trustee	June 26, 1912
Russell, James C	North River		March 19, 1913
Myers, Louis J	Oneida	Trustee	March 3, 1913
Bouta, Rasselas A	Onondaga County	Trustee and ex-President	March 1, 1913
Coon, S. Mortimer	Oswego County	Attorney	April 9, 1913
Wendell, Charles	Oswego County	Trustee	April 15, 1913
Franklin, Lindley M	Queens County	President	February 12, 1913
Van DeWater, John C	Queens County	Trustee	December 1, 1912
Randall, S. D. Coyo	Rondout	Trustee	January 14, 1913
Looh, H. C	Rondout	Second Vice-President	March 20, 1913
Chatfield, Henry H	Sag Harbor	Vice-President	July 30, 1912
Fordham, John	Sag Harbor	Trustee	April 29, 1913
De Siler, Caril H	The South Brooklyn Savings Institution	Trustee	March 10, 1913
Cowing, James R	The South Brooklyn Savings Institution	Trustee	November 27, 1912
Overton, Charles E	Southold	Trustee	March 26, 1913
Becker, Urich W	Staten Island	President	June 21, 1912
DeJonge, Louis, Jr	Staten Island	Trustee	February 28, 1913
Mann, Hon. Francis N., Jr	The Troy	Trustee	November 28, 1912
Saxton, Thomas H	The Union Savings, Patchogue, N. Y	Trustee	September 16, 1912
Baker, Dr. Clarence A	The Union Savings, Patchogue, N. Y	Trustee	November 9, 1912

DECEASED MEMBERS—*Continued.*

NAME	BANK	TITLE	DATE
Scott, Frank H.	Union Square, New York City	Trustee	November 25, 1912
Weeks, John T.	Union Square, New York City	Cashier	April 18, 1913
Goddard, Frederic N.	United States, New York City	1st Vice-President and Trustee.	December 31, 1912
Hays, John R.	Walden	First Vice-President	November 1, 1912
Herbermann, Alexander J.	West Side Savings Bank	Trustee	September 9, 1912
Jaques, Washington L.	West Side Savings Bank	Trustee	March 12, 1913
Burns, Wm. F.	The Williamsburgh	Cashier	February 5, 1913

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FIRST AND PRESENT CONSTITUTIONS OF THE SAVINGS BANKS ASSOCIATION OF THE STATE OF NEW YORK

THE FIRST CONSTITUTION

ADOPTED JUNE 15, 1894

Article I. This Association shall be called The Savings Banks Association of the State of New York, and shall have for its objects the general welfare of Savings Banks in this State, the securing of the proper consideration of all legislative action affecting Savings Banks, and the discussion of all subjects relating thereto.

Article II. Any Savings Bank, or Savings Institution, of the State of New York may become a member of this Association upon payment of such annual dues as may from time to time be decided upon, and may send one delegate to the meetings of the Association, and any members may be expelled by the vote of two thirds of the delegates present at the regular meetings.

Article III. The officers of this Association shall consist of a President, Vice-President, Secretary, and Treasurer, who shall be elected annually; and the affairs of the Association shall be administered by an Executive Committee, to be elected at each annual meeting, who shall hold office until their successors are elected or appointed.

Article IV. A Committee of three to nominate officers and an Executive Committee shall be appointed at each annual meeting, who shall present names for election to the subsequent annual meeting of the Association, but nominations may be made by any member at such meeting.

Article V. The President shall preside at all meetings, preserve order, appoint all committees unless otherwise ordered, and arrange for holding special meetings at the written request of ten members of the Association.

In case of absence or disability of the President, all the powers and duties devolving upon him may be performed by the Vice-President; or in case of absence or disability of the President and the Vice-President, the Association may designate one of their own number to act as President *pro tem.*

Article VI. The Executive Committee shall consist of five of the members of the Association (the President, Vice-President, Secretary, and Treasurer being members also, *ex officio*).

It shall take charge of the general business of the Association, receive communications, arrange for holding meetings, procure and arrange subjects for discussion and the order in which they may come before the Association, provide for speakers, and carry out resolutions passed.

The attendance of five members of the Executive Committee, of which the *ex officio* members may form a part, shall constitute a quorum for the transaction of business, and they shall have power to fill vacancies occurring during the year in their own body, and also vacancies for Secretary and Treasurer.

Article VII. Special meetings of the Executive Committee may be called by request of three of its own members, giving one week's notice to the Secretary desiring him to call such special meeting.

Article VIII. The Executive Committee shall provide:

First: For keeping the records of the proceedings of their own meetings as well as those of the Association's annual or special meetings.

Second: They shall submit at each annual meeting a report covering their own official acts, as well as a statement of any new or unfinished business requiring attention.

Article IX. The Secretary shall make and have charge of the records of the Association, as well as those of the Executive Committee, and of the correspondence of the Executive Committee, and also of all other committees that may be attended by the President.

Article X. The Treasurer shall receive and disburse all moneys as directed by the Executive Committee, all vouchers for payments being countersigned by the President or Chairman of the Executive Committee.

Article XI. The annual meetings of the Association shall be held at such times and places as may be determined by the Executive Committee.

Article XII. The expenses of the Executive Committee in carrying out the business to be done by them shall be provided for by the annual dues of the members of the Association, provided, however, that the Committee shall have no authority to incur or contract, on behalf of the Association, any liability beyond the annual dues hereby authorized, and only that for the purposes hereby mentioned.

Article XIII. The annual dues of the Banks, members of the Association, shall be as follows:

Those having deposits of $100,000 or less shall pay $5; between $100,000 and $1,000,000, $10; between $1,000,000 and not exceeding $5,000,000, $20; $5,000,000 and upward to $10,000,000, $25; in excess of $10,000,000, $50. Such dues shall be payable on the first day of June in each year.

Article XIV. Any Bank failing to pay the annual dues within three months after notice shall be considered as having withdrawn from membership. It may

be reinstated with the consent of the Executive Committee upon payment of all arrears; and any Bank may withdraw from membership by giving thirty days' written notice to the Secretary of the Association.

Article XV. Subjects for discussion must be submitted to the Executive Committee in writing at least thirty days before any general meeting of the Association.

Article XVI. The order of business at the annual meeting shall be as follows:

1st. The President, or, in his absence, the Vice-President, or the Chairman of the Executive Committee shall call the meeting to order.

2d. Roll call.
3d. Address by the President.
4th. Reading of minutes.
5th. Report of Executive Committee.
6th. Report of the Treasurer.
7th. Unfinished business.
8th. New business.
9th. Reading of papers.
10th. Report of Committee on Nominations.
11th. Election of new officers and committees.
12th. Election of Committee on Nominations.

Article XVII. This Constitution may be amended at any annual meeting by a vote of three fourths of the delegates present, notice of such proposed amendment having been given by the Secretary to each member at least thirty days before said meeting.

PRESENT CONSTITUTION

Revised, May 23, 1912

Article I. The Association shall be called The Savings Banks Association of the State of New York, and shall have for its objects the general welfare of the Savings Banks in this State, the securing of the proper consideration of all legislative action affecting Savings Banks, and the discussion of all subjects relating thereto.

Article II. Any Savings Bank, or Savings Institution, of the State of New York, may become a member of this Association upon payment of such annual dues as may from time to time be decided upon, and may send one delegate to the meetings of the Association, and any member may be expelled by the vote of two thirds of the delegates present at the regular meetings.

Delegates shall be officers or trustees of the Bank they represent, and shall vote in person, and not by proxy.

Article III. The officers of this Association shall consist of a President, three Vice-Presidents, Secretary, and Treasurer, who shall be elected annually; and who shall hold office until their successors are elected or appointed.

The officers shall be *ex officio* members of the Executive Committee of their respective groups, and of the Executive Committee of the Association.

ARTICLE IV. For the better realization of the aims of the Association, the members shall be divided into five groups, as nearly as possible according to geographical division, as follows:

Group 1. Consisting of the Counties of Niagara, Erie, Chautauqua, Orleans, Genesee, Wyoming, Cattaraugus, Monroe, Livingston, Wayne, Ontario, Yates, Seneca, Steuben, and Allegany.

Group 2. Consisting of the Counties of Cayuga, Tompkins, Chemung, Tioga, Broome, Chenango, Cortland, Onondaga, Oswego, Jefferson, St. Lawrence, Lewis, Herkimer, Oneida, Madison, and Schuyler.

Group 3. Consisting of the Counties of Franklin, Hamilton, Fulton, Montgomery, Otsego, Delaware, Sullivan, Orange, Ulster, Greene, Schoharie, Schenectady, Albany, Saratoga, Warren, Essex, Clinton, Washington, Rensselaer, Columbia, Dutchess, Putnam, and Rockland.

Group 4. Consisting of the Counties of New York and Westchester.

Group 5. Consisting of the Counties of Kings, Queens, Suffolk, Nassau, and Richmond.

ARTICLE V. The President shall preside at all meetings, preserve order, appoint all committees unless otherwise ordered, and arrange for holding special meetings at the written request of ten members of the Association. In case of absence or disability of the President, all the powers and duties devolving upon him may be performed by the Vice-Presidents, or, in case of absence or disability of the President and Vice-Presidents, the Association may designate one of their own number to act as President *pro tem*.

ARTICLE VI. The Executive Committee shall consist of the officers of the Association, the Chairman and Secretary of each group, who, when unable to serve, shall appoint a temporary substitute, and those who have held the office of President of the Association within five years.

It shall take charge of the general business of the Association, receive communications, arrange for holding meetings, procure and arrange subjects for discussion, and the order in which they come before the Association, provide for speakers, and carry out resolutions passed.

The attendance of six members of the Executive Committee, of which the *ex officio* members may form a part, shall constitute a quorum for the transaction of business, and they shall have power to fill vacancies occurring during the year in the office of Secretary or Treasurer.

ARTICLE VII. Special meetings of the Executive Committee may be called at the request of three of its own members, giving two days' notice to the Secretary desiring him to call such special meeting.

ARTICLE VIII. The Executive Committee shall provide:

First: For keeping the records of the proceedings of their own meetings, as well as those of the Association's annual or special meetings.

Second: They shall submit to each annual meeting a report covering their own official acts, as well as a statement of any new or unfinished business requiring attention.

Article IX. The Secretary shall make and have charge of the records of the Association, as well as those of the Executive Committee, and of the correspondence of the Executive Committee, and also of all other committees that may be attended by the President.

Article X. The Treasurer of the Association shall receive and disburse all moneys as directed by the Executive Committee, all vouchers for payments being countersigned by the President or Chairman of the Executive Committee.

Article XI. The annual meetings of the Association shall be held at such times and places as may be determined by the Executive Committee.

Article XII. The expenses of the Executive Committee in carrying out the business to be done by them shall be provided for by the annual dues of the members of the Association, provided, however, that the Committee shall have no authority to incur or contract, on behalf of this Association, any liability beyond the annual dues hereby authorized, and only that for the purposes hereby designated.

Article XIII. The annual dues of banks, members of the Association, shall be as follows:

Those having deposits of $100,000 or less shall pay $5; between $100,000 and $1,000,000, $10; between $1,000,000 and not exceeding $5,000,000, $20; $5,000,000 and upward to $10,000,000, $25; in excess of $10,000,000, and not exceeding $20,000,000, $50. For each $10,000,000, or any part thereof in excess of $20,000,000 of deposits, the annual dues shall be increased by $10. Such dues shall be payable on the first day of June in each year.

Article XIV. Any bank failing to pay the annual dues within three months after notice shall be considered as having withdrawn from membership. It may be reinstated with the consent of the Executive Committee upon payment of all arrears; and any bank may withdraw from membership by giving thirty days' written notice to the Secretary of the Association.

Article XV. Subjects for discussion may be submitted to the Executive Committee in writing at least thirty days before any general meeting of the Association.

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1st. The President, or, in his absence, the Vice-President, or the Chairman of the Executive Committee, shall call the meeting to order.

2d. Roll call.

3d. Address by the President.

4th. Reading of minutes.

5th. Report of Executive Committee.

6th. Report of the Treasurer.

7th. Unfinished business.

8th. New business.

9th. Reading of papers.

10th. Election of new officers.

Article XVII. Members of the Association shall belong to the group in which their place of business is located, but members may be transferred from one group to another with the approval of the Chairman of the group to which they belong and of the Chairman of the group to which they desire to be transferred.

Notice of such transfer shall be filed with the Secretary and Treasurer of the Association.

Article XVIII. Each group shall hold at least one meeting each year, at such time and place as each group may determine; provided, however, that one of such meetings, to be called the annual meeting, shall be held not later than December 1st, and that the first meeting shall be called by the President of the Association.

Unless otherwise arranged, the meetings shall be held as follows: Group 1, at Buffalo; Group 2, at Syracuse; Group 3, at Albany; Group 4, at New York; Group 5, at Brooklyn.

Each group shall elect at its annual meeting a Chairman, a Secretary, a Treasurer, and an Executive Committee consisting of three members.

Article XIX. The Chairman of each group shall, previous to each annual meeting of the Association, appoint a representative from his group to act as a member of the Nominating Committee to nominate officers for the ensuing year. No member of the Executive Committee, nor any candidate for office, shall be a member of such Nominating Committee.

Article XX. The Executive Committee may appropriate such sums as in its opinion may be necessary for the expenses of the several groups, and the amounts so appropriated shall be paid by the Treasurer of the Association to the Treasurer of each of said groups. But the Association shall not be liable for any debt contracted or obligation incurred by any group or the officers thereof.

Article XXI. This Constitution may be amended at any annual meeting by a vote of three fourths of the banks represented at such meetings, notice of such proposed amendment having been given by the Secretary to each member at least thirty days before said meeting.

H

FIRST MEETING OF SAVINGS BANKS OFFICERS OF NEW YORK STATE

A meeting of the representatives of various Savings Banks of the State of New York was held at the Chamber of Commerce, New York City, on Thursday, May 26, 1892. At this meeting Mr. James McMahon, President of the Emigrant Industrial Savings Bank, New York City, presided, after the meeting had been called to order by Mr. Alexander E. Orr. Mr. Andrew Mills, President of the Dry Dock Savings Bank, New York, was chosen Secretary. The demand for legislation to increase the scope of investments for Savings Banks was the primary cause for the calling of this meeting. It is believed that this was the first time that officers of the Savings Banks of the State of New York had ever met as a body. As President McMahon said in his opening address: "Nothing can be lost and very much gained through coming in personal contact with and knowing each other. Our interests are identical, and having no other ends to serve than to do our duty faithfully to the public at large, we are in a position to discuss the various questions coming before us calmly, soberly, and in a spirit of absolute fair dealing as between ourselves as officers, the depositors we represent, the Banking Department at Albany, and the Legislature of this State, which properly controls and governs the management of the institutions we serve."

Secretary Mills stated, in response to a question, that he had received responses from upward of eighty Savings Banks throughout the State, all of them either expressing the intention of sending a representative, or at least approving very heartily of the idea of a Convention of Savings Banks Officers.

The following Savings Banks were represented at this initial meeting:

Albany Savings Bank, Albany, by J. Howard King, President.
Exchange Savings Bank, Albany, by J. F. McElroy, Second Vice-President.
Home Savings Bank, Albany, by John D. Capron, Treasurer.
Albany County Savings Bank, Albany, by Wm. N. S. Sanders, Treasurer.
Auburn Savings Bank, Auburn, by E. H. Townsend, Treasurer.
Cayuga County Savings Bank, Auburn, by W. H. Meaker, Treasurer.
Amsterdam Savings Bank, Amsterdam, by S. H. French, President.

Binghamton Savings Bank, Binghamton, by H. G. Rogers, Treasurer; J. K. Weldon, Trustee.
South Brooklyn Savings Institution, Brooklyn, by A. E. Orr, President.
Germania Savings Institution, Brooklyn, by F. W. Schroeder, President.
Dime Savings Institution, Brooklyn, by G. S. Hutchinson, President; E. H. Kellogg, Vice-President.
Kings County Savings Institution, Brooklyn, by James S. Bearns, Vice-President.
Brooklyn Savings Bank, Brooklyn, by F. E. Flandreau, Cashier.
Erie County Savings Bank, Buffalo, by Philo D. Beard, First Vice-President.
College Point Savings Bank, College Point, by Hugo Funke, Second Vice-President.
Queens County Savings Bank, Flushing, by L. M. Franklin, Secretary.
Hudson City Savings Institution, Hudson, by Samuel R. Rainey, Treasurer.
Farmers' and Mechanics' Savings Bank, Lockport, by Isaac H. Babcock, President; J. E. Emerson, Secretary and Treasurer.
Union Savings Bank, Mamaroneck, by Bradford Rhodes, President.
Portchester Savings Bank, Portchester, by W. P. Abendroth, President.
Poughkeepsie Savings Bank, Poughkeepsie, by Henry V. Pelton, Treasurer; Edward S. Atwater, Treasurer.
Rhinebeck Savings Bank, Rhinebeck, by T. W. Bates, President; T. A. Traver, Secretary and Treasurer.
Riverland Savings Bank, Riverland, by Nat. W. Foster, President; Clifford B. Ackerly, Secretary.
Rochester Savings Bank, Rochester, by S. J. Macy, Second Vice-President.
Mechanics' Savings Bank, Rochester, by T. A. Whittlesey, Attorney and Trustee.
Rondout Savings Bank, Rondout, by J. E. Derrenbacher, Secretary.
Sing Sing Savings Bank, Sing Sing, by Isaac B. Noxon, Secretary.
Southold Savings Bank, Southold, by H. H. Hunting, Secretary and Treasurer.
Onondaga County Savings Bank, Syracuse, by E. S. Dawson, President; R. A. Bonta, Secretary.
Savings Bank of Utica, Utica, by Ephraim Chamberlain, President.
Warwick Savings Bank, Warwick, by W. L. Ogden, Vice-President, Thos. Burt, Treasurer.
People's Savings Bank, Yonkers, by R. Dutton, President.
Yonkers Savings Bank, Yonkers, by S. E. Getty, Secretary.
Bowery Savings Bank, New York, by Edward Wood, President.
Bank for Savings, New York, by J. A. Roosevelt, Second Vice-President.
Emigrant Industrial Savings Bank, New York, by Jas. McMahon, President.
Seamen's Bank for Savings, New York, by W. C. Sturges, President.
Greenwich Savings Bank, New York, by J. Harsen Rhoades, President.
German Savings Bank, New York, by G. F. Amthor, Treasurer.
Dry Dock Savings Institution, New York, by Andrew Mills, President.
Union Dime Savings Institution, New York, by Chas. E. Sprague, Treasurer.
Citizens' Savings Bank, New York, by E. A. Quintard, President.
East River Savings Institution, New York, by W. H. Slocum, President.
New York Savings Bank, New York, by S. W. Jones, President; Fred. Hughson, Treasurer.
Franklin Savings Bank, New York, by W. G. Conklin, Secretary.
Institution for Savings Merchants' Clerks, New York, by And. Warner, President; Geo. A. Robbins, Vice-President.
Metropolitan Savings Bank, New York, by Geo. N. Conklin, Secretary.
Harlem Savings Bank, New York, by Chas. B. Tooker, President.
United States Savings Bank, New York, by Cons. A. Andrews, President; G. A. Middlebrook, Secretary and Treasurer.
12th Ward Savings Bank, New York, by Anton Rasines, President.
Newburgh Savings Bank, Newburgh, by Thos. F. Balfe, Treasurer.

Letters were received from the following Banks approving of the meeting and endorsing its objects:

National Savings Bank	Albany
Albany City Savings Institution	Albany
Mechanics' & Farmers' Bank	Albany
Williamsburgh Savings Bank	Brooklyn
East Brooklyn	Brooklyn
Western Savings Bank	Buffalo
Buffalo Savings Bank	Buffalo
Mechanics' Savings Bank	Cohoes
Cohoes Savings Bank	Cohoes
Cortland Savings Bank	Cortland
Goshen Savings Bank	Goshen
Ithaca Savings Bank	Ithaca
Kingston Savings Bank	Kingston
Long Island City Savings Bank	Long Island City
Middletown Savings Bank	Middletown
West Side Savings Bank	New York
American Savings Bank	New York
Excelsior Savings Bank	New York
Pawling Savings Bank	Pawling
Monroe County Savings Bank	Rochester
Syracuse Savings Bank	Syracuse
Troy Savings Bank	Troy

And Hon. C. M. Preston, Bank Superintendent.

I

FIRST REPORT OF THE BANK FOR SAVINGS IN THE CITY OF NEW YORK

(1820)

It is proper briefly to note the practical success of this institution within a short period after its organization and the favorable effect of this success in disarming hostility to similar measures thereafter.

The first report of the institution was made to the legislature the following year (1820), and was accompanied by an application for an amendment of its charter so as to authorize investments in loans upon real estate.

Concerning the subject generally, Governor Clinton, in his message to the legislature, said:

"The Bank for Savings in the City of New York, instituted at the last session, to cherish meritorious industry, to encourage frugality and retrenchment, and to promote the welfare of families, the cause of morality, and the good order of society, has already manifested its claims to your confidence by an accumulation of more than one hundred and fifty thousand dollars in small deposits, and by shedding a benign influence on society. The application of this institution to authorize loans on real estate, as well as any other provisions subservient to its salutary objects, will undoubtedly receive your sanction."

The following is the report of the Bank made to the Legislature in 1820, covering the operations of only six months, the first report of the kind ever made to the Legislature of New York. It is a model of its kind, pure in thought and chaste in diction:

REPORT

Conformably to the provisions of an Act entitled: "An Act to incorporate an Association by the name of a Bank for Savings, in the City of New York," the trustees now beg leave to present their first report to the honorable the Legislature of the State, and the honorable Common Council of the City of New York, as follows:

First: That the Bank for Savings was opened for deposits in a

room of the New York Institution, granted to the trustees by the Academy of Arts, and approved by the Corporation, for the term of two years, gratis, on Saturday, the 3d of July, 1819, when, from eighty depositors, the trustees had the satisfaction of receiving the sum of $2,807.

Second: That from the aforesaid 3d day of July, until the 27th of December inclusive, being a period of six entire months, there had been deposited in the Bank for Savings, by 1,527 depositors, the sum of $153,378.31.

Third: That the sum of $148,372.27, as will appear by the treasurer's account hereunto annexed, has been invested in the public funds, agreeable to law, and that the sum of $6,606 has been drawn out by the depositors. Of those who have drawn out, the number of forty-six have closed their accounts, and twenty-one have taken out only a part, and, therefore, their accounts remain open.

Fourth: The depositors, having been classed under various heads, they stand in the books of the trustees as follows: [Here follows an enumeration of occupations of depositors, embracing mechanics, laborers, tradesmen, and domestics, 840; minors, male, 287; minors, female, 276; widows, 98; orphans, 20; apprentices, 15; unclassified, 24; total, 1,527.] Having given these statements which the act aforesaid and the sense of their own duty to the depositors required, the trustees hope that they shall stand excused in making such remarks as this interesting subject obviously suggests.

It was to be expected that an institution which, by inculcating economy among the middle and lower classes of society, and inducing them to spare their earnings for future exigencies, would necessarily withdraw them from places of public resort, and thus excite the enmity of those whose emolument was the fruit of prodigal expenditure. The trustees, however, are gratified in saying that few such instances have come to their knowledge. On the contrary, the classifications of depositors will furnish several instances, even of public tavern-keepers who have brought their money to the bank for safety and increase. Nor are the trustees without hope that such examples will operate upon many of those whose conduct has heretofore been reprehensible. A reform at the source of waste will soon spread its influences through a large portion of our population.

The Board of Trustees, previous to opening the books for the receipt of deposits, established a system of management and inspection for the bank, which in its operation has proved highly beneficial. They appointed, in rotation, three of their number to attend at the bank as a Committee for one month. It was made the duty of this Committee to receive deposits, to see that the entries were duly made, to make inquiries as to the situation of the depositors, and ask such further questions as might promote the welfare either of the individuals or of the institution. By this means the whole of

the Board of Trustees have become familiar with the depositors, and while their confidence in those to whom they have committed the safeguard and improvement of their little funds has been confirmed, it has afforded an opportunity, readily embraced by the trustees, of giving such advice to many of the depositors as they believed would tend to promote careful habits and moral feeling. The gratification which they have received in numerous instances has amply repaid the attending Committee this gratuitous labor.

The investment of the funds has been intrusted to a special Committee, consisting of Messrs. John Mason, Jacob Sherred, and William Wilson, who report to the board at their monthly meeting the manner in which the funds have been disposed of. The Treasurer also reports once a month the amount received from the deposits, and how it has been expended. By this mode, every operation is at once known to each individual trustee; and such checks are furnished as to prevent the possibility of the smallest loss to depositors.

The different classes of depositors will furnish various reflections calculated to place banks for savings high in the esteem of the political economist, the practical philanthropist, and the diligent promoter of sound morals.

In every part of an active population, and particularly in large cities, the difficulty of procuring the reward of labor is not so great as the power to preserve it. The man who attends to the regular discharge of his duties, and is enabled to lay up a weekly sum from his hard-earned income, is too often the dupe of the idle, the profligate, the designing, or the unfortunate. Incaution, and sometimes an excusable vanity, prompts the possessor of an increasing fund to reveal it to his less prosperous neighbor. The desire of accumulation and the hope of bettering his condition will induce the listener to try the means with which his friend can furnish him on some object of speculation. He tries and both are ruined. There are others who live only to prey upon society; they insinuate themselves into the confidence of the unsuspecting; give the most plausible reasons for the small sums they ask, and the strongest assurances of a speedy repayment. The money is loaned; but the lender too soon finds that the fruit of years of labor is gone forever.

Many cases have come before the trustees wherein the above was justified by ample details. The causes, as after stated by the sufferers themselves, arose alike from their want of some secure place of deposit and their ignorance how to improve what they had laid up. The sums are generally too small to be received at any of the banks; and when this is not the case, it was found equally as difficult to retain it as if it had been actually in the owner's hands; the temptation to loan was the same. Though many depositors understood how to invest their money in public stocks, yet anticipating an

early use for it, or fearing a loss from the fluctuation of the funds, they preferred letting it lie useless. In numerous instances sums from $100 to $300 had lain unimproved for many years, while others had loaned and lost the whole. The banks for savings provide almost the only remedy: they give security to the depositor, improve his little stock, and, at fixed periods, allow him to withdraw the whole, if his inclination or interest should prompt him.

The value of an institution is to be estimated by the evil which it prevents, or by the good which it produces. In some, the effects are more remote, in others more immediate. Banks for savings are among the latter; the attempt is no sooner made than the most salutary effects follow. It has formed the most pleasing and interesting part of the duty of the monthly Committee to observe and note these effects. The effect on the moral habits is not more certain than striking; he who has learnt to be economical has first gotten rid of pernicious modes of spending money. Every time he adds to his amount, he has an additional motive for perseverance. In the provision he is making for futurity is associated all which can gratify him as a father, a husband, a guardian, or a friend. The talent which heaven has committed to his care, he improves for the objects of his affections; this, again, endears them to him, and thus the sum of human happiness is increased and extended. It is impossible for men continuing to act on such principles to be immoral.

The trustees are glad to report that the habit of saving among the depositors becomes very soon not only delightful but permanent. Those who have brought their one dollar are anxious to increase it to five, and so on. The number of re-deposits sufficiently confirms this fact; and such has been the effects on emigrants from Great Britain that the very guineas which they received from the banks for savings at home they have deposited in the one in this city immediately after landing.

There are several classes of depositors which the trustees cannot forbear to remark upon.

Seamen are proverbially improvident, not so much perhaps from a love of waste as from a total ignorance how to dispose of their money. Having no one to direct them, the wages which they have earned, amidst storms and tempests, they scatter on shore without reflection. Of this useful class of men, a few have found their way to our bank, and the trustees will do all in their power to increase the number. One seaman on one of the regular traders for Liverpool brought home with him in silver $360; his captain directed him to the Bank for Savings. He soon deposited his burden, and appeared heartily pleased that, under the guidance of his commander, he had at last found a harbor of safety for his small property.

The clergy are a body of gentlemen perhaps more entitled to our gratitude and care than any other in the community. Their means

in general are small, their families usually large, and, from the nature of their office, they are prevented by trade to increase their income. Many of them, however, can save a little, and they have availed themselves of the bank to deposit it for improvement. When the trustees look round on the number of destitute widows of once respectable and useful clergymen, they cannot but hail the institution as the means of affording, by the provident care of the living, comfort, and perhaps independence, for future widows and orphans.

The attention which has been paid by parents and guardians, since the opening of our Bank, to the future comfort and security of minors, is not one of the least blessings which shall flow from this institution. The deposits for this class are very numerous; and while it is calculated to excite the gratitude of the young beings for whose use the deposits have been made, it holds out to them, when arrived at maturity, the example and the means by which succeeding generations are to be benefited and improved.

As parents, as citizens, and as men, the trustees exult in the prospects which the Bank for Savings holds out to this growing city and State. The habits which a resort to it induce hold out the best pledge for a reduction in the public burdens, as they are connected with indigence and want. They tend to inspire a spirit of independence, and in their moral operation lessen crime, poverty, and disease. They teach man to depend upon his own exertions, encourage industry, frugality, cleanliness, and self-respect; and effectually prevent those who are so fortunate as to be influenced by them from applying either to public provisions or private bounty for support.

The trustees take this opportunity of thanking the gentlemen connected as tellers, clerks, and porters, in the different banks, for the cheerful manner in which they have rendered their services on the evenings of deposit. Their kindness was both acceptable and useful.

In conclusion: the trustees are fully aware that they have undertaken an arduous task; but in the approbation of the public authorities, the countenance of their fellow-citizens, and the increasing comfort of the community, they will have a full reward.

James Eastbury,
Secretary.

William Bayard,
President.

J

LIST OF SUPERINTENDENTS OF THE BANKING DEPARTMENT OF THE STATE OF NEW YORK

(1851–1914)

SUPERINTENDENTS	RESIDENCE	APPOINTED	
Daniel B. St. John	Newburgh	April 15,	1851
Marius Schoonmaker	Kingston	April 4,	1854
James M. Cook	Ballston Spa	January 30,	1856
Henry H. Van Dyck	Albany	April 16,	1861
Edward Hand	Catskill	August 9,	1865
*Emerson W. Keyes	Brooklyn	November,	1865
George W. Schuyler	Ithaca	January 3,	1866
Daniel C. Howell	Bath	February 3,	1870
DeWitt C. Ellis	Rochester	February 19,	1873
Henry L. Lamb	West Troy	August 17,	1877
A. Barton Hepburn	Colton	April 13,	1880
Willis S. Paine	New York City	April 27,	1883
*Charles R. Hall	Norwich	October 1,	1889
Chas. M. Preston	Kingston	December 23,	1889
Frederick D. Kilburn	Malone	January 8,	1896
Chas. H. Keep	Buffalo	January 17,	1907
Clark Williams	New York City	October 24,	1907
Orin H. Cheney	New York City	November 24,	1909
Geo. C. Van Tuyl, Jr.	Albany	May 18,	1911
Eugene Lamb Richards	W. New Brighton, S.I.	May 9,	1914

*Deputy and acting Superintendent.

K

SYNOPSIS OF REPORT OF COMPTROLLER OF THE CURRENCY AS TO SAVINGS BANKS IN THE UNITED STATES

(FROM 1820 TO AND INCLUDING 1913)

Year	No. of Banks	No. of Depositors	Deposits	Average due each Depositor	Average per capita in the U. S.
1820..	10	8,635	$1,138,576	$131.86	$0.12
1825..	15	16,931	2,537,082	149.84	....
1830..	36	38,035	6,973,304	183.09	.54
1835..	52	60,058	10,613,726	176.72	....
1840..	61	78,701	14,051,520	178.54	.82
1845..	70	145,206	24,506,677	168.77	....
1846..	74	158,709	27,374,325	172.48	....
1847..	76	187,739	31,627,479	168.46	....
1848..	83	199,764	33,087,488	165.63	....
1849..	90	217,318	36,073,924	165.99	....
1850..	108	251,354	43,431,130	172.78	1.87
1851..	128	277,148	50,457,913	182.06	....
1852..	141	308,863	59,467,453	192.54	....
1853..	159	365,538	72,313,696	197.82	....
1854..	190	396,173	77,823,906	196.44	....
1855..	215	431,602	84,290,076	195.29	....
1856..	222	487,986	95,598,230	195.90	....
1857..	231	490,428	98,512,968	200.87	....
1858..	245	538,840	108,438,287	201.24	....
1859..	259	622,556	128,657,901	206.87	....
1860..	278	693,870	149,277,504	215.13	4.75
1861..	285	694,487	146,729,882	211.27	....
1862..	289	787,943	169,434,540	215.03	....
1863..	293	887,096	206,235,202	232.48	....
1864..	305	976,025	236,280,401	242.08	....
1865..	317	980,844	242,619,382	247.35	....
1866..	336	1,067,061	282,455,794	264.70	....
1867..	371	1,188,202	327,009,452	283.63	....
1868..	406	1,310,144	392,781,813	299.80	....
1869..	476	1,466,684	457,675,050	312.04	....
1870..	517	1,630,846	549,874,358	337.17	14.26
1871..	577	1,902,047	650,745,442	342.13	....
1872..	647	1,992,925	735,046,805	368.82	....

Year	No. of Banks	No. of Depositors	Deposits	Average due each Depositor	Average per capita in the U. S.
1873..	669	2,185,832	802,363,609	367.07	....
1874..	693	2,293,401	864,556,902	376.98	....
1875..	771	2,359,864	924,037,304	391.56	....
1876..	781	2,368,630	941,350,255	397.42	....
1877..	675	2,395,314	866,218,306	361.63	....
1878..	663	2,400,785	879,897,425	366.50	....
1879..	639	2,268,707	802,490,298	353.72	....
1880..	629	2,335,582	819,106,973	350.71	16.33
1881..	629	2,528,749	891,961,142	352.73	....
1882..	629	2,710,354	966,797,081	356.70	....
1883..	630	2,876,438	1,024,856,787	356.29	....
1884..	636	3,015,151	1,073,294,955	355.96	....
1885..	646	3,071,495	1,095,172,147	356.56	....
1886..	638	3,158,950	1,141,530,578	361.36	....
1887..	684	3,418,013	1,235,247,371	361.39	....
1888..	801	3,838,291	1,364,196,550	355.41	....
1889..	849	4,021,523	1,425,230,349	354.40	....
1890..	921	4,258,893	1,524,844,506	358.03	24.35
1891..	1,011	4,533,217	1,623,079,749	358.04	25.29
1892..	1,059	4,781,605	1,712,769,026	358.20	26.11
1893..	1,030	4,830,599	1,785,150,957	369.55	26.63
1894..	1,024	4,777,687	1,747,961,280	365.86	25.53
1895..	1,017	4,875,519	1,810,597,023	371.36	25.88
1896..	988	5,065,494	1,907,156,277	376.50	26.68
1897..	980	5,201,132	1,939,376,035	372.88	26.56
1898..	979	5,385,746	2,065,631,298	383.54	27.67
1899..	987	5,687,818	2,230,366,954	392.13	29.24
1900..	1,002	6,107,083	2,449,547,885	401.10	31.78
1901..	1,007	6,358,723	2,597,094,580	408.30	33.45
1902..	1,036	6,666,672	2,750,177,290	412.53	34.89
1903..	1,078	7,035,228	2,935,204,845	417.21	36.52
1904..	1,157	7,305,443	3,060,178,611	418.89	37.52
1905..	1,237	7,696,229	3,261,236,119	423.74	39.17
1906..	1,319	8,027,192	3,482,137,198	429.64	41.13
1907..	1,415	8,588,811	3,690,078,945	433.79	42.87
1908..	1,453	8,705,848	3,660,553,945	420.47	41.84
1909..	1,703	8,831,863	3,713,405,710	420.45	41.75
1910..	1,759	9,142,908	4,070,486,246	445.20	45.05
1911..	1,884	9,794,647	4,212,583,598	430.09	44.82
1912..	1,922	10,010,304	4,451,818,522	444.72	46.53
1913..	1,978	10,766,935	4,727,403,950	439.07	48.56

Population estimated at 97,337,000.

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BIOGRAPHICAL SKETCHES OF OFFICERS OF THE SAVINGS BANKS ASSOCIATION OF THE STATE OF NEW YORK

HAROLD P. BREWSTER

President of the Rochester Savings Bank, was born in Rochester, March 27, 1859. For more than forty years he has been identified with the commercial life of his native city, being engaged most of that time in the tobacco business. He was elected a trustee of the Rochester Savings Bank in 1889, and was chosen its President in February, 1909.

WILLIAM G. CONKLIN

President of the Franklin Savings Bank, was born October 28, 1848. On December 1, 1867, he entered the Franklin Savings Bank as clerk, and after nearly twenty years of faithful service was elected its Secretary. He was elected a trustee in February, 1887. In April, 1907, he was promoted to the Presidency of the Bank and still holds that office. He is a member of the Union League Club, of the Chamber of Commerce, a life member of the New York Athletic Club, a member of the New York Electrical Society, and the Press Club. He is also a trustee of the Lincoln Trust Company and of the Hanaman Hospital, and a member of the Fifth Avenue Presbyterian Church of the City of New York.

JONATHAN B. CURREY

President of the Metropolitan Savings Bank, New York City, was born at Yorktown, N. Y., March 9, 1847, the son of the Rev. Benjamin and Susan (Hart) Currey. His education was obtained at private schools and the Washington County Collegiate Institute. He studied marine law for six years with Judge James S. Chew, and for twenty years has practised adjusting marine losses. Mr. Currey has been President of the Metropolitan Savings Bank since

1893; is also a member of the Board of Trustees. He was married at St. Louis, Mo., April 17, 1894, to Miss Mary S., daughter of Col. Henry Clay Moore. In politics Mr. Currey is a Republican. He attends the Protestant Episcopal Church of the Incarnation. Mr. Currey is a member of the Average Adjusters' Association of the United States, of which he was chairman in 1894-95, and a member of the Chamber of Commerce, the G. A. R., and the S. A. R., and of the Lotos Club. His residence is at Mohegan Lake, N. Y.

WILLIAM FELSINGER

President of the New York Savings Bank, was born July 3, 1852. At the age of seventeen he entered the New York Savings Bank as junior clerk. After a service of thirteen years there, he went to the Greenwich Savings Bank, returning to the New York Savings Bank as Secretary, June 1, 1891. On March 4, 1893, Mr. Felsinger was elected a trustee of the last-named institution, and became its President April 8, 1902, an office which he has since held. Mr. Felsinger is a member of the Union League and Republican clubs of the City of New York.

CHARLES E. HANAMAN

was born in Port Schuyler, Albany County, N. Y., November 19, 1848. He prepared for college, but was obliged to enter the business world in 1865. He continued in business as a manufacturer and flour merchant until 1886, when he was forced to retire by reason of ill-health.

Mr. Hanaman accepted the office of Secretary and Treasurer of the Troy Savings Bank in February, 1888, and became President and a trustee of the institution in February, 1893. At that date the Bank's assets were about $6,000,000; to-day, figured on the same basis, they are over $13,000,000.

Mr. Hanaman, as a recreation hobby, has devoted much of his leisure for a number of years to scientific (biological) study.

FRANK MOSLEY HURLBUT

President of the Union Square Savings Bank, New York City, was born in Milan, Ohio, in 1851. At the age of sixteen years he entered the services of the Institution for the Savings of Merchants' Clerks, the title of which was afterward changed to the Union Square Savings Bank. In 1896 he became Vice-President, and in 1897 President.

He succeeded Mr. Styles as Treasurer of the Savings Banks Association in 1910, and continued in that office until his death January 2, 1914.

He was a member of the Player's Club in New York City, and of the Morris County Golf Club, at Morristown, New Jersey.

JAMES McMAHON

was born in Franklin County, N. Y., October 15, 1831. His education was acquired in Rochester, N. Y., where his parents removed in his boyhood. In 1864 he was appointed deputy grain measurer in New York City, and shortly thereafter, with James T. Easton, organized the Protective Grain Association, out of which the firm of Easton, McMahon & Co. developed. Having established a line of freight steamers between New York and Philadelphia, the business was reorganized in 1881 and incorporated as the Easton & McMahon Transportation Company, of which Mr. McMahon was president, until he retired in 1886. Meanwhile, he had become identified with the Emigrant Industrial Savings Bank in New York City. He was elected a member of the Executive Committee in 1881, became Chairman of that Committee in 1891, and was chosen President of the Bank in 1892, continuing in that office until his resignation in 1906. Under his direction the institution became one of the best-known Savings Banks in New York City. Mr. McMahon's public life was conspicuous in the two fields of banking and philanthropy. Although he had never sought public office he was appointed to membership on several important boards in Greater New York. He served on the Board of Education and took a prominent part in the movement which resulted in the consolidation of Brooklyn with Greater New York in 1898. He served as a director and member of the finance committee of the Equitable Life Assurance Society from 1906 to 1912, director of the National Surety Company, the Produce Exchange Bank, the People's Trust Company of Brooklyn, the Realty Associates of Brooklyn, and other leading financial institutions. He was a trustee of the House of Good Shepherd, a vice-president of the Society for the Prevention of Cruelty to Children, chairman and vice-president of the finance committee of the Irish Emigrant Society, and an incorporator and director for twenty-three years of the Brooklyn Institute of Arts and Sciences, of which he became a life member in 1890. He also served a term on the board of management of the Long Island State Hospital. Mr. McMahon enjoyed a wide reputation as an educator, financier, mathematician, and physicist, and received several gold medals for his research work in mental philosophy and literature. He possessed a balanced judgment and untiring industry, while his frank and cheerful disposition, the honesty and candor of his nature, and a warm affection for his associates won for him a host of friends in all walks of life. He was thrice married: first, February 19, 1855, to Katherine Augusta Cummiskey, of Rochester, N. Y., who died May 28, 1895; second, June 17, 1896, to Rose Mary Devereux, who died July 18, 1909, and third, April 7, 1910, to Helena Devereux, his

deceased wife's sister, receiving a special dispensation from the Pope permitting the ceremony. Mr. McMahon died at his country home in Smithtown, L. I., December 10, 1913. (National Cyclopedia of Am. Biog.: J. T. White & Co., New York.)

EDWIN P. MAYNARD

was born in Brooklyn, N. Y., July 12, 1864, and was educated in the public schools. At the age of fifteen he entered the employment of Ammidon, Lane & Company, drygoods commission merchants. In 1882 he went into the employ of the Brooklyn Savings Bank as assistant bookkeeper, filling various positions up to the year 1902, when he was elected Assistant Comptroller of the Bank, and a few months later Comptroller of the institution. In 1912 he was elected President, to succeed Mr. Bryan H. Smith, deceased. This institution, as is well known, is the third oldest Savings Bank in the State of New York and the oldest on Long Island. In May Mr. Maynard became President of the New York State Savings Banks Association. Upon his election to the presidency of the Brooklyn Trust Company, in July of the same year, he resigned the Presidency of the Association, and also that of the Brooklyn Savings Bank, at the same time resigning his directorship in the Broadway Trust Company.

At the present time Mr. Maynard is a director of the Nassau National Bank and of the New York Telephone and Telegraph Company, and trustee of the Brooklyn Savings Bank and of the Brooklyn Trust Company.

CHARLES ADDISON MILLER

was born at Utica, New York, December 29, 1867, the son of Addison Charles and Cynthia Jervis (Brayton) Miller. He was educated in the public schools of Utica, at Trinity Military Institute at Tivoli-on-the-Hudson, and at Harvard College. Mr. Miller was graduated from college in June, 1890, and was admitted to the bar in the fall of 1892. He began practice as a member of the firm of Miller, Fincke & Brandegee, and has continued a member of that firm and of its successor, Miller & Fincke, until the present time. In January, 1894, he became a trustee of the Savings Bank of Utica, and at the same time his firm became the attorneys for that institution. He became the Vice-President in 1899 and President in 1907. Mr. Miller was elected as a member and as Chairman of the Executive Committee of the New York State Savings Banks Association in the fall of 1904, and immediately took up the work of endeavoring to amend the Investment Law in such a way that the securities in which Savings Banks might invest should be given by general rules and not be established simply

by legislative enactment. This work resulted in the amendment in 1905 which standardized the securities for Savings Bank investment. Mr. Miller was assisted in his efforts to get this act enacted by the Legislature by Mr. Van Rensselaer, who was then President of the Association, without whose assistance there is little likelihood that the amendment would have been adopted. Mr. Miller succeeded Mr. Van Rensselaer as President of the Association in the spring of 1908, and served for one term. After Mr. Miller retired as President of the Association, his firm was retained as attorneys for the Association and has served in that capacity to the present time.

THOMAS M. MULRY

President of the Emigrant Industrial Savings Bank, New York, is one of the stalwart figures in the financial life of the metropolis. He was born in New York City, February 5, 1855. His father was one of five brothers who came to this country from Ireland in 1873 and settled in New York City. His mother was Mrs. Parthenia M. Corlius, whose ancestor, the Hon. Clarkson Corlius, was a representative from New York in the State Legislature at Albany during the early part of the last century. Mr. Mulry received his early education in the Catholic parochial schools; he afterward spent one year at the De La Salle Institute, conducted by the Christian Brothers, and was for three years a pupil of the night school conducted at Cooper Institute. The family removed to Wisconsin in 1862, but returned to New York City nine years later. Mr. Mulry became interested in the contracting business in connection with his father, and continued to pursue that calling for many years. He was elected a trustee of the Emigrant Industrial Savings Bank on December 12, 1901, and served on the Executive Committee of the institution in 1904 and 1905. In January, 1906, he was elected President. This institution, as is well known, is one of the largest in the world. Mr. Mulry has always been a very busy man, being a director of the Broadway Trust Company, the United States Title Guarantee and Indemnity Company, the Fourteenth Street Bank, and the Prudential Realty Company. He is also a member of the Mechanics' and Traders' Exchange, the Employers' Association, and other business organizations. In politics he is a Democrat and a member of Tammany Hall, but has uniformly declined to accept political office. Mr. Mulry is a member of the Democratic, Catholic, Hardware, Building Trades, and other clubs, and of the Friendly Sons of St. Patrick and other social organizations. He is probably best known to the public for the deep interest he has always taken in the charitable organizations of New York City, particularly those connected with the Roman Catholic Church. He is president of the Superior

Council of the St. Vincent De Paul Society, covering the whole United States; president of the National Conference of Charities and Corrections, a member of the Board of Governors of the Manhattan State Hospital, a commissioner of the New York State Board of Charities, and prominently identified with many important Catholic institutions. Mr. Mulry is married and, with his family, lives at No. 10 Perry Street, New York City.

SAMUEL R. RAINEY

who died in the city of Hudson, March 17, 1900, was one of the founders of the Savings Banks Association and up to the time of his last illness one of the most active and influential in its councils. From the year 1882 to the time of his death he was the Treasurer of the Hudson City Savings Institution. He was also one of the directors of the National Hudson River Bank, and during his long and active life had been connected with many enterprises of first importance. His soundness of judgment, large experience, and knowledge of men and affairs enabled him to fill every position he occupied with distinguished ability. For several years he was the secretary of the board of managers of the House of Refuge for Women at Hudson; when steam fire-engines were made in Hudson Mr. Rainey was the secretary and manager of the Clapp & Jones Manufacturing Company, and later he became secretary of the Hudson Iron Works. In politics, Mr. Rainey was an ardent Republican, being for four years and at the time of his death president of the Lincoln Republican Club of Hudson. He was an elder of the Presbyterian Church, and for a long time the superintendent of the Sunday-school.

JOHN HARSEN RHOADES, SR.

was one of the best-known public-spirited citizens of the metropolis. To him is due the greater share of the credit of establishing the Savings Banks Association of the State of New York, an institution in which he ever took a fatherly pride and satisfaction. Up to the time of his death, in December, 1906, Mr. Rhoades attended every session, taking a leading part in all discussions as well as proposed reforms, and for many years was the honored President of the organization. Mr. Rhoades was President of the Greenwich Savings Bank for twenty-nine years, and was an authority upon all matters pertaining to savings institutions. He was frequently consulted by legislators, and was instrumental in bringing about many reforms which have taken place in the conduct of these institutions in the last twenty years. Mr. Rhoades was a leader in all reform movements for the benefit of the City of New York, and was largely responsible for the reforms brought

about by the so-called Lexow Committee, one of which was the making of the office of Sheriff a salaried position and stopping the tremendous graft which had so long existed under the fee system. Mr. Rhoades held directorships in many prominent and powerful financial institutions, including the Bank of North America, the Lawyers' Title Insurance and Trust Company, the Madison Safe Deposit Company, the Lincoln Trust Company, the United Shoe Machinery Company, the United States Trust Company, and the Washington Trust Company. In politics Mr. Rhoades was a Republican, casting his first vote for Lincoln. Among the clubs and organizations in which he had membership were the Union League, Metropolitan, Century, Lotos, and City Lawyers' clubs, the Municipal Art Society, the American Geographical Society, St. Nicholas Society, and the Chamber of Commerce. He was vice-president of the Eye and Ear Infirmary, and was interested in other philanthropic institutions. Mr. Rhoades was born in New York City, his paternal ancestors being of English and Welsh stock, and his maternal of Dutch blood. Starting in life as a clerk in a drygoods commission house, his rise was due to his own efforts. He always saved money, and soon became recognized as a capable business man of integrity. His noble name he never sullied. At the time of his death Mr. Rhoades was a widower. He left two daughters and a son, John Harsen Rhoades, Jr., who is following closely in the footsteps of his honored father.

WILLIAM HEWITT ROCKWOOD

President of the Union Square Savings Bank, New York City, was born in the metropolis in 1856. He entered the service of the institution for the Savings of Merchants' Clerks (now the Union Square Savings Bank) in 1884, was made its Secretary in 1897, Vice-President and Secretary in 1898, and President in 1912. He was for a number of years subsequent to 1908 treasurer of the West End Association, New York City; he also served as Treasurer of the Savings Banks Association of the State of New York from 1912 to 1914. He is a member of the West Side Club and the Seventh Regiment Veteran Association of the City of New York.

CHARLES ADOLPH SCHIEREN

manufacturer and statesman, of 30 Ferry St., New York City, was born on February 28, 1842, in Prussia. In 1856-64 he was employed in his father's store in New York City. Then for four years he was connected with a belting factory, and in 1868 established on a small scale the business now known as the Charles A. Schieren Company, tanners and belting manufacturers, one of the largest in the United States. He was a trustee of the Brooklyn Trust Com-

pany and a director of the Germania Life Insurance Company and of the Nassau National Bank. In 1894-95 he was Mayor of Brooklyn, N. Y.; in 1900-01 he was chairman of the New York Commerce Commission, and became president of the Brooklyn Academy of Music. Mr. Schieren for a number of years held the office of First Vice-President of the Germania Savings Bank, of which he has been a trustee since 1886. He was chosen President of the Bank in 1900. He died at his home in Brooklyn, March 10, 1915.

FREDERIC B. STEVENS

was born in Albany, N. Y., June 9, 1871, and was educated at the Albany Academy. Soon after leaving the Academy he entered the National Savings Bank of the City of Albany, an institution which his father, Albert Parsons Stevens, helped to organize in 1869. He was content to begin at the lowest round of the ladder, entering the bank in the capacity of messenger, January 1, 1888, and rising to the position of Treasurer, which he has held since January 15, 1907; prior to that time he had been Secretary for two years. Since December 18, 1911, Mr. Stevens has been a trustee of the institution. During the years 1910-1913, inclusive, he was Secretary of the Savings Banks Association of the State of New York. He served five years as a member of the Third Signal Corps, N. G. N. Y., part of the time with the rank of sergeant. He is a member of the Society of Mayflower Descendants, New England Society of the City of New York, Society of the Colonial Wars, Albany Institute and Historical and Art Society, Fort Orange and Country clubs, the Albany Chamber of Commerce, and the Albany Academy Alumni Association. He is also a life member of Masters' Lodge, No. 5, F. & A. M., of Albany.

SAMUEL D. STYLES

late President of the North River Savings Bank, New York City, was born in the metropolis, September 25, 1841. At an early age he entered business. In 1865 he founded the printing business of Styles and Cash, from which he retired in 1903. Mr. Styles was a director in the West Side Bank, the Lincoln Trust Company, and in the Home Insurance Company, being for many years a member of the finance committee of the last-named institution. He was chosen a member of the Board of Trustees of the North River Savings Bank, November 20, 1897, and was elected President of the institution, January, 8, 1894 which office he held up to the time of his death, July 2, 1910. Mr. Styles served in the capacity of Treasurer of the Savings Banks Association of the State of New York from the year 1903 to the time of his death.

WILLIAM BAYARD VAN RENSSELAER

was born in Albany, N.Y., October 4, 1856, the son of Bayard and Laura Reynold Van Rensselaer, and a direct lineal descendant of Kiliaen Van Rensselaer, of Amsterdam, Holland. Had not the laws of NewYork prohibited the entailing of property, he would have been the eleventh Patroon and owner of the Rensselaerwyck property. He attended the Boys' Academy and various other institutions of learning, and matriculated at Harvard in 1875, being graduated four years later. Subsequently he attended the Harvard Law School. Being admitted to the Bar in 1882, he opened an office at No. 25 North Pearl Street. For many years he had full charge of the Van Rensselaer estate, and up to the time of his death, in 1909, served as Treasurer of the Van Rensselaer Land Company, which he was instrumental in organizing. Mr. Van Rensselaer became a director of the New York State National Bank in 1885, and was made its Vice-President in 1900. He was elected a trustee of the Albany Savings Bank in 1883, Vice-President in 1897, and upon the death of J. Howard King was chosen its President, an office which his grandfather, General Stephen Van Rensselaer had held when the Bank was chartered, March 25, 1820. Upon the organization of the Union Trust Company he was made its Vice-President; was the organizer of the Albany Terminal Warehouse Company, a director of the Cohoes Company, which supplies the great mills at Cohoes with water power; an organizer and charter member of the Fort Orange Club; a member of the Albany Country Club and of the Albany Institute and Historical and Art Society, of the Holland Society, and the University Club of the City of New York, the Reform Club; one of the trustees of the New York State Normal College and of the Rensselaer Polytechnic Institute, and one of the officers of the Albany Chamber of Commerce. In 1901 he was chosen Chairman of the Executive Committee of the Savings Banks Association of the State of New York, and on May 12, 1904, was elected President of that body, because of his widely recognized ability and conservatism, serving for four years. Among various appointments in rendering public service was his designation by Governor Morton on the Albany Bi-Centennial Celebration Committee, and his appointment by Governor Hughes as one of the State's representatives on the Hudson-Fulton Commission in 1909. While in politics a Republican, Mr. Van Rensselaer not infrequently asserted his independence; he consistently refused to accept political position. Mr. Van Rensselaer married, at Cambridge, Mass., November 3, 1880, Louisa Greenough Lane, a daughter of Prof. George Martin Lane, of Harvard University.

WILLIAM H. S. WOOD

was born in New York City in April, 1840, the son of William and Mary (Underhill) Wood, and grandson of Samuel Wood, who founded our business in 1804. He was educated at the College of the City of New York and at Haverford College (Pa.), and entered the business in 1859. In 1865 he married Emma, daughter of Gilbert Congdon, of Providence, R. I. He died on December 11, 1907, leaving four children: William C., Gilbert C., Arnold, and Mary.

For forty-eight years, and until his death, he was actively engaged in the business of William Wood & Co., publishers of medical books, most of that time as senior partner. In 1903 he was elected President of the Bowery Savings Bank, which position he held until the time of his death. He took an unusual interest in the affairs of the Bowery Savings Bank, and of Savings Banks generally. He brought great energy and considerable originality into the conduct of this Bank, and under his Presidency the deposits of the Bowery Savings Bank passed the $100,000,000 mark. He especially endeavored to have the franchise tax on the surplus of Savings Banks abolished.

He was, at various times, a trustee of the Young Men's Christian Association, of the American Bible Society, of the Bowery Savings Bank, an incorporator of the New York Botanical Garden, and a member of a great many scientific societies and of several clubs.

His chief recreations were yachting and horticulture, his country place at Greenwich, Conn., having the largest collection of herbaceous plants in the State. He was a birthright member of the society of Friends (Quakers).—William C. Wood.

STATISTICS FROM ANNUAL REPORT, SUPERINTENDENT OF BANKS, FOR YEAR 1913

Statement relating to Savings Banks on the first day of January in each year from 1858 to 1914

Year	Deposits	Increase or decrease in deposits	Number of open accounts	Average of each account	Surplus on market value as reported	Per cent. of such surplus to total deposits	Available fund, consisting of cash deposits and loans	Per cent. of available fund to total assets	Amount invested in real estate	Per cent. of assets invested in real estate	No. of institutions reporting
January 1, 1858...	$41,422,672	....	203,804	$203.24	$2,437,623	.0588	$5,337,680	.1216	$947,165	.0216	54
January 1, 1859...	48,194,847	$6,772,175	230,074	209.47	2,472,658	.0513	6,208,234	.1224	1,072,845	.0212	57
January 1, 1860...	58,178,160	9,983,313	273,697	208.91	2,552,085	.0439	7,175,937	.1181	1,101,791	.0101	64
January 1, 1861...	67,440,397	9,262,237	300,693	224.28	2,949,195	.0437	9,312,885	.1323	1,942,305	.0148	71
January 1, 1862...	64,083,119	*	300,511	213.21	3,056,066	.0477	5,575,567	.1426	1,010,295	.1050	74
January 1, 1863...	76,538,183	12,455,064	347,184	220.45	3,846,102	.0503	13,303,685	.1654	1,111,470	.0138	71
January 1, 1864...	93,786,384	17,248,201	400,194	234.35	5,085,583	.0542	14,200,484	.1436	1,237,532	.0125	71
January 1, 1865...	111,737,763	17,951,379	456,403	244.82	7,590,174	.0579	16,249,229	.1361	1,314,498	.0110	73
January 1, 1866...	115,472,566	3,734,803	465,001	248.33	8,964,885	.0776	13,883,422	.1151	1,452,805	.0117	75
January 1, 1867...	131,769,074	16,296,508	488,501	270.10	9,865,441	.0749	19,160,281	.1353	1,737,020	.0123	86
January 1, 1868...	151,127,562	19,358,488	537,466	281.18	11,119,861	.0736	20,469,121	.1260	2,387,280	.0147	102
January 1, 1869...	169,808,678	18,681,116	588,556	288.51	12,088,216	.0712	19,871,992	.1092	2,733,834	.0150	110
January 1, 1870...	194,360,217	24,551,539	651,474	296.80	14,023,880	.0722	25,444,602	.1220	3,285,608	.0157	133
January 1, 1871...	230,749,408	36,389,191	712,109	324.03	14,253,397	.0618	30,301,071	.1236	4,140,681	.0169	136
January 1, 1872...	267,905,826	37,156,418	776,700	344.92	14,738,491	.0550	36,204,240	.1279	5,790,987	.0205	147
January 1, 1873...	285,286,621	17,380,805	822,642	346.79	19,776,864	.0693	34,049,066	.1115	6,469,430	.0212	150
January 1, 1874...	285,520,085	233,464	839,472	340.12	21,448,796	.0751	29,027,719	.0944	7,435,328	.0242	155
January 1, 1875...	303,935,649	18,415,564	872,498	348.35	24,310,086	.0800	30,192,413	.0919	8,598,861	.0262	158
January 1, 1876...	319,260,202	15,324,553	859,738	371.35	33,689,701	.1055	29,803,353	.0842	9,595,173	.0271	154
January 1, 1877...	316,677,285	†	849,639	372.72	34,176,603	.1079	24,540,305	.0697	10,367,704	.0295	150
January 1, 1878...	312,823,058	‡	844,550	370.40	32,050,550	.1024	24,400,011	.0704	11,215,402	.0323	138
January 1, 1879...	299,074,639	‡	810,017	369.22	¶34,553,262	.1155	21,302,642	.0637	**12,816,145	**.0383	132
January 1, 1880...	319,258,501	20,183,862	864,456	369.32	34,781,952	.1089	26,039,503	.0735	10,430,579	.0294	128
January 1, 1881...	353,629,657	34,371,156	953,707	370.79	47,099,094	.1332	35,488,865	.0885	10,412,881	.0259	128
January 1, 1882...	387,832,893	34,203,236	1,036,106	374.32	55,044,756	.1419	43,536,884	.0982	9,527,517	.0215	127
January 1, 1883...	412,147,213	24,314,320	1,095,971	376.05	60,630,827	.1471	52,299,786	.1105	8,630,319	.0182	127
January 1, 1884...	431,080,010	18,932,797	1,147,588	375.64	68,009,559	.1577	49,531,525	.0992	8,428,757	.0169	127

January 1, 1885...	437,107,501	6,027,491	1,165,174	375.14	68,669,001	.1670	41,698,854	.0804	8,116,813	.0161	126
January 1, 1886...	457,050,250	19,942,749	1,208,072	378.33	77,282,889	.1690	41,595,692	.0778	8,208,215	.0153	123
January 1, 1887...	482,486,730	25,436,480	1,264,535	381.55	85,633,329	.1774	51,162,150	.0900	8,034,653	.0141	124
January 1, 1888...	505,017,751	22,531,021	1,325,062	381.12	85,249,647	.1688	49,662,771	.0841	7,736,103	.0131	125
January 1, 1889...	523,677,515	18,659,764	1,362,852	384.25	92,009,091	.1757	46,683,388	.0758	7,695,586	.0125	125
January 1, 1890...	550,066,657	26,389,142	1,420,997	387.10	94,601,800	.1719	47,539,963	.0737	8,140,408	.0126	124
January 1, 1891...	574,669,972	24,603,315	1,477,819	388.20	89,741,231	.1561	55,866,127	.0836	8,602,985	.0128	124
January 1, 1892...	588,425,420	13,755,448	1,516,289	388.07	87,317,105	.1484	50,538,939	.0747	9,623,173	.0139	122
January 1, 1893...	629,358,273	40,932,853	1,593,804	394.87	88,752,443	.1410	57,925,149	.0806	10,519,326	.0146	124
January 1, 1894...	617,089,448	††	1,585,155	390.50	87,141,451	.1412	51,544,710	.0731	11,428,689	.0162	125
January 1, 1895...	643,873,574	26,784,126	1,615,178	398.63	91,574,734	.1422	50,547,892	.0686	11,894,881	.0161	125
January 1, 1896...	691,764,503	47,890,929	1,695,787	407.93	90,955,321	.1323	54,628,289	.0699	13,088,915	.0167	126
January 1, 1897...	718,176,888	26,412,385	1,736,968	413.46	93,653,237	.1303	52,719,071	.0649	12,542,285	.0154	128
January 1, 1898...	766,684,916	48,508,028	1,805,280	424.69	102,426,162	.1335	59,897,220	.0688	14,268,766	.0164	129
January 1, 1899...	816,144,367	49,459,451	1,865,653	437.45	106,896,623	.1309	64,024,865	.0693	14,995,339	.0162	129
January 1, 1900...	887,480,650	71,336,282	1,981,371	447.91	111,920,290	.1262	65,514,436	.0655	15,705,165	.0157	129
January 1, 1901...	947,129,638	59,648,988	2,072,190	457.06	118,294,674	.1249	74,661,217	.0700	15,670,678	.0146	128
January 1, 1902...	1,014,305,857	67,176,219	2,174,511	466.45	116,754,992	.1151	75,682,429	.0668	15,197,776	.0134	128
January 1, 1903...	1,077,383,743	63,077,886	2,275,383	473.49	113,286,775	.1051	77,284,631	.0648	14,864,625	.0124	127
January 1, 1904...	1,131,281,943	53,898,200	2,365,583	478.22	107,049,076	.0946	79,714,947	.0643	15,348,049	.0123	128
January 1, 1905...	1,198,583,142	67,301,199	2,443,555	490.50	112,853,766	.0941	81,086,557	.0618	15,946,715	.0121	129
January 1, 1906...	1,292,358,866	93,775,724	2,569,779	502.90	112,834,424	.0802	83,000,889	.0590	15,415,408	.0109	130
January 1, 1907...	1,362,035,836	69,676,970	2,685,809	507.12	102,192,265	.0750	88,366,580	.0603	15,964,377	.0108	135
January 1, 1908...	1,380,399,090	18,363,254	2,731,447	505.37	83,255,275	.0603	93,605,146	.0638	16,485,287	.0112	138
January 1, 1909...	1,396,443,327	16,044,237	2,736,285	510.30	105,493,132	.0755	95,536,973	.0621	17,426,454	.0113	138
January 1, 1910...	1,483,449,494	87,006,167	2,831,380	523.93	106,835,540	.0720	90,665,358	.0556	18,421,648	.0113	140
January 1, 1911...	1,542,933,693	59,484,199	2,907,608	530.65	107,156,492	.0694	97,962,559	.0577	19,180,188	.0113	141
January 1, 1912...	1,619,115,648	76,181,955	2,987,535	541.95	116,272,555	.0711	103,309,336	.0580	21,525,436	.0120	140
January 1, 1913...	1,689,453,168	70,337,520	3,064,905	551.22	118,404,987	.0700	102,812,552	.0552	24,117,778	.0129	140
January 1, 1914...	1,741,697,466	52,244,298	3,143,444	554.07	116,789,006	.0670	111,356,910	.0578	25,200,643	.0130	140

*Decrease, $3,357,278. † Decrease, $2,582,917. The amount of deposits January 1, 1876, of Savings Banks that failed during the year was $5,097,310. There was, therefore, an increase in the aggregate of deposits of Savings Banks that continued business during 1876 amounting to $2,514,393. ‡ Decrease, $3,854,227. The amount of deposits January 1, 1877, of Savings Banks that failed during the year was $2,078,218. The decrease in deposits of Savings Banks continuing business was $1,776,009. § Decrease, $13,748,419. The amount of deposits January 1, 1878, of Savings Banks that failed during the year was $3,170,017. The decrease in deposits of Savings Banks continuing business was $10,578,402. ¶ The amount of surplus shown January 1, 1879, was based upon market value of stocks and cost of real estate, while the surplus of January 1, 1880, and of all succeeding years is based upon market value of both stocks and real estate. Upon this latter basis the surplus of January 1, 1879, is $31,723,824, making a gain in surplus for the year of $3,058,128. ** Real estate was reported January 1, 1879, at cost, and January 1, 1880, and each succeeding year at estimated market value. †† Decrease, $12,268,825.

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